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Suggestions to Authors

The objectives of the Academy of Management in their most recently revised form are succinctly worded as follows:

"The Academy is founded to foster the search for truth and the general advancement of learning through free discussion and research in the field of management. The interest of the Academy lies in the theory and practice of management, both administrative and operative. . . . It is not concerned with specialized procedures for the control and execution of particular kinds of projects that are significant chiefly in narrow segments of a business field.

"The general objectives of the Academy shall be therefore to foster: (a) a philosophy of management that will make possible an accomplishment of the economic and social objectives of an industrial society with increasing economy and effectiveness; the public's interests must be paramount in any such philosophy, but adequate consideration must be given to the legitimate interests of capital and labor; (b) greater understanding by executive leadership of the requirements for a sound application of the scientific method to the solution of managerial problems, based on such a philosophy; and (c) wider acquaintance and closer co-operation among such persons as are interested in the development of a philosophy and science of management."

It is suggested that, as a general rule, full-length articles contributing to these objectives be approximately 1500 to 3000 words in length. Interested consideration will also be given to shorter, abbreviated notes or ideas relating to specific aspects of management thought, philosophy, theory, techniques of wide applicability, curriculum-building, or teaching. Perhaps one of the more important heuristic functions that this *Journal* can fulfill is that of exchanging specific new insights into challenging management problems. Since what is really new tends to be still in an area of controversy, we shall expect (and hope for) considerable argument. Rebuttals, rejoinders, comments, objections, extensions of a writer's thoughts—all of these will be particularly welcome.

Many of us have specific, detached ideas on various topics, and notes on such topics could be submitted for the consideration of our readers without investing extensive scholarly effort. An important requirement is that manuscripts be written in a straightforward style of English—esoteric writing will find no place in the *Journal of the Academy of Management*. The Academy's Research and Publications Committee has decided against the publication of book reviews.

Manuscripts should ordinarily be double-spaced; however, single-spacing will be accepted if this makes it unnecessary for the author to re-type his article. A single copy of the manuscript will suffice. Typing, or any form of mechanical reproduction is acceptable, if it is clearly legible. All manuscripts submitted to the editor will be re-typed and identified only by a code number. This will insure an objective and impartial evaluation by the Academy's Research and Publications Committee. The editor will not reveal the identity of the writer to any person without the author's express consent.

Suggestions, criticisms, or comments on matters relating to the *Journal* will at all times find a welcome reception.

THE EDITORS

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The Emerging Revolution in Management Education

DALTON E. McFARLAND

Michigan State University

Today powerful forces are seeking to reshape the fundamental character of the teaching and study of management in collegiate schools of business. Revolutions have a subtle way of surprising all but the shrewdest of contemporary observers, and management faculties of schools of business are more aware of a general unrest and uncertainty than of the great issues that generate the changes we are experiencing.

Adequate responses to rapid change depend on correctly reading the signals that are cracking through the protective walls from which academic disciplines, including management, derive a sense of security. My purpose in this paper is to interpret some of the crucial questions which should engage the attention and energies of management faculties, and to suggest some new directions and some new aims. Let us recognize at the outset, however, that this kind of an interpretation, important as it may be, does not yield definitive action programs. At best, it can only incite movements of concerted thought that will yield more sharply focused programs of action.

EDUCATION FOR BUSINESS

Problems of management faculties must be considered within the context of trends within schools of business administration. The starting point of our analysis, then, is the fact that critics are dealing harshly with schools of business. But the most vocal critics are not businessmen expressing dissatisfaction with our product. They are, rather, business and economics faculty members, and college deans, such as G. L. Bach at Carnegie Institute of Technology,¹ and, more recently, two prominent foundations.² Management faculties should study this body of self-criticism, for it bears directly on the future of management as a discipline.³

¹G. L. Bach, "Some Observations on the Business School of Tomorrow," *Management Science*, Vol. 4, No. 4, July, 1958, pp. 351-364.

²For the results of a Carnegie Foundation study see Frank C. Pierson, *The Education of American Businessmen*, New York, the McGraw-Hill Book Company, Inc., 1959. For the results of a Ford Foundation study, see Robert Aaron Gordon and James Edwin Howell, *Higher Education for Business*, New York, Columbia University Press, 1959.

³For a fuller explanation of this situation, see Dalton E. McFarland, "Education for Management: New Directions and New Challenges," *The Journal of the Academy of Management*, April, 1959, pp. 39-46.

The substance of this criticism is that schools of business have changed very little since the report by Bossard and Dewhurst in 1931,⁴ and that they have failed to identify and establish a genuine discipline, with its own body of subject matter, its own theoretical problems, its own research, and its own methodologies. As the sub-disciplines making up business administration develop a forward thrust to attack this common problem, they desperately need an integrating concept around which to focus their joint efforts. The fact that schools of business are turning more and more to administration as the appropriate unifying concept has created new and difficult challenges for management departments.

FUNCTIONAL CONFLICTS

If there is a central body of knowledge that can unite the functional groupings within business and thus help to constitute a more viable discipline, administration, or administrative science, would qualify as a logical and reasonable choice. Indeed, this possibility extends to uniting at least certain elements of a number of disciplines even beyond business administration, as evidenced by the growing interest of the mathematical and behavioral sciences in organization and administrative theory.⁵

Desirable as this trend toward unity may be, it raises key questions concerning the role of the management department among the traditional functional groupings in schools of business. The role of management departments in the new kinds of business schools that will emerge from reactions to the growing criticisms is decidedly unclear. In a previous paper,⁶ I documented the decline in importance of the functional sub-disciplines such as marketing, finance, and production as a basis for departmentation in a business school, and defended the qualified thesis that if management faculties saw this trend as an opportunity for their own growth, their departments could provide the basic integrating and co-ordinating discipline within the business school. However, no trend in this direction is yet discernible.

Trends are apparent in which the functional sub-disciplines are meeting the challenges in these new developments as they perceive them. They have moved rapidly ahead to incorporate the managerial or administrative point of view into their research perspectives and teaching programs. Thus we see in college catalogs an increasing number of courses such as "managerial marketing" and "managerial accounting," despite their obvious redundancy.⁷ These changes project the sub-disciplines into immediate conflict with departments of management. If management faculties are to deal intelligently with their own deep-seated problems of

⁴ James H. S. Bossard and J. Frederic Dewhurst, *University Education for Business*, Philadelphia, University of Pennsylvania Press, 1931.

⁵ See Edward Litchfield, "Notes on a General Theory of Administration," *Administrative Science Quarterly*, Vol. 1, No. 1, June, 1956, pp. 3-29, and Kenneth Boulding, "Evidences for an Administrative Science," *Administrative Science Quarterly*, Vol. 3, No. 1, June, 1958, pp. 1-22.

⁶ Dalton E. McFarland, *op. cit.*

⁷ Newer textbooks are matching these trends. For example, see Eugene J. Kelley and William Lazer, *Managerial Marketing: Perspectives and Viewpoints*, Homewood, Ill., Richard D. Irwin, Inc., 1958.

curriculum, research, and effective teaching in management, they must understand that these dynamic forces may greatly intensify the rivalry among the disciplines, both those that compose the field of business administration and those which underlie it. Only by facing this issue can they redefine and re-establish their roles in the ongoing work of schools of business.

Conflict among academic disciplines is, of course, not new. Riesman⁸ and Caplow,⁹ among others, have provided dramatic insights into the nature of the struggles among disciplines. On the surface, such conflict among able men seems unintelligent—the mark of immaturity. It implies negative emotions—jealousy, envy, fear. It evokes thoughts of empire-building, and the striving for favors and for control of scarce resources. Some feel that such emotional elements reflect an innate waywardness, a deliberate perversity, a calculated selfishness among individuals. Whether or not these things are true, something more fundamental is at work. The roots of the problem may be traced partly to semantic differences among fields of learning and partly to the rapid growth and expansion of knowledge in all fields of learning, which are changing the frontiers of the disciplines which comprise and underlie business administration.

Each of the disciplines in business—marketing, finance, management, and accounting—has developed vocabularies and concepts of its own. These special realms of discourse to some extent block understanding among the sub-disciplines, although they may facilitate intra-disciplinary communication. Undoubtedly one of the advantages of close association of the disciplines in building a more unified science of administration is that a greater understanding of terminological and vocabulary difficulties is likely to emerge.

The growth in knowledge and the increased rate of accumulation of knowledge present an urgent problem. The basic mathematical and behavioral sciences have grown immensely; they have sought new fields to explore. They find themselves compellingly attracted to business enterprises as loci for their work. Arriving at the scene of the school of business, these "outside" disciplines encounter the remnants of a decaying functional departmentation. As the behavioral and mathematical disciplines participate in the traditional business disciplines, they vastly enrich them and enlarge their horizons. So doing, they paradoxically contribute to the degeneration of departmentation based on the sub-disciplines.

It is the nature of a science or a field of learning to be dynamic, to grow, to enlarge its horizons, to push back the frontiers of knowledge: One cannot realistically deny the sub-disciplines in business administration their right to scholarly and scientific advancement. If organizational patterns tend to inhibit such growth, it is likely that such patterns will give way.

It has been suggested that in these struggles the weight of historical tradition is on the side of the already-established management departments, with their

⁸ David Riesman, *Constraints and Variety in American Education*, New York, Doubleday Anchor Books, 1958.

⁹ Theodore Caplow and Reece J. McGee, *The Academic Marketplace*, New York, Basic Books, Inc., 1958.

trained faculties and a supporting body of literature. For years such departments have provided basic instruction covering the spectrum of management knowledge, ranging from "Introduction to Business," for freshmen, to "Business Policy," for seniors. Nor have such departments failed to take note of new developments. Most of them have tried to be progressive by experimenting with such matters as human relations approaches, business games, the case method of teaching, and mathematical programming.

Yet in many ways this history no longer supports management departments. For one thing, the claim they once had to the concept of administration, as, for example, in naming themselves departments of industrial administration, was dissipated by the narrower connotations of the word "industrial" and by our failure fully to develop administrative concepts. There has been a distinct preference for the word management in naming our departments and in designating our work. William Newman in *Administrative Action* uses the words management and administration synonymously, but the outer world, including the mathematical and behavioral sciences, now forces upon management a narrower connotation as it lays claim to the broader field of administration. The use of the term personnel administration did not help much, for it too was allowed to develop only a pedestrian content. Furthermore, the functional sub-disciplines of business administration have always claimed management as their root field; they have never admitted any divorce from management as such. Their chief argument is that *something* must always be managed, and that this something is the substantive content of the disciplines of marketing, accounting, and finance. This latter argument is explored more fully later in this paper.

Perhaps the worst mistake of management faculties has been to cling too closely to the historical traditions of the scientific management movement. By relying too heavily on these doctrines—narrowly construed—and lacking a genuinely scientific basis they have subjected themselves to the irony of the fact that scientific management is no longer respectable. The writings of researchers such as Herbert Simon, James March, or Chris Argyris may have their faults, but they have registered a devastating and widely accepted criticism of the scientific management movement. Defenses against this criticism have been weak. Indeed, there is danger that the critics will not be taken seriously enough. Yet if "management science" is better than "scientific management," tradition-oriented management faculties are defending a losing side. Our newest ideas, our current vitality, our principal forms of progress are emerging from the work of behavioral and mathematical scientists, who have treated scientific management with considerable disdain, if not with complete disbelief. Almost without exception major contributions to administrative thought are emanating from mathematicians, political scientists, psychologists, sociologists, and applied anthropologists, most of whom have not even read what we call "the management classics."

The chain of events we have described leads to an ultimate result that is disturbing and unsatisfactory to management faculties. It will result, if unchecked, in the vitiation of management departments as administrative units in schools of

business. It will cause—and indeed is already causing—a loss of identity, a loss of self-confidence, and a loss of the all-important sense of "who we are and what we are supposed to be doing."

MEETING THE CHALLENGE

As management faculties view their possible responses to these problems, several alternatives suggest themselves. Some are relatively undesirable; others would seem to hold some degree of promise for positive and constructive action.

One of the undesirable alternatives would be to do nothing—to continue as though nothing were happening. This choice assumes either that there is really no problem at all, or that historical traditions are, after all, strong enough to sustain the management discipline through admittedly contentious times. We would be counting on the passage of time and on the inherent rightfulness of what we have done in the past to maintain our discipline and to nurture its growth. Changes would come, but they would be gradual and rational, with their acceptance founded on ample opportunity for critical examination.

I label this alternative undesirable because it is unrealistic. The problems are too real and too urgent to ignore. Avoiding the issue will intensify rather than resolve the problems. We cannot rely on the academic, social, or professional trappings of the past no matter how well these have served us, for one of the rugged features of academic disciplines is their dynamic way of obliterating symbols and systems which were once important.

A second alternative, only slightly more desirable than the first, would be to recognize the issue and to fight hard for the supremacy of management in its struggles with sister disciplines and the underlying disciplines in the behavioral and mathematical sciences. The idea of conflict is not altogether intolerable. It stirs the emotions, prods the imagination, and exacts a high level of co-operative effort. Through participating in conflict we can test our abilities, prove our theories, and demonstrate our courage. Conflict adds meaning and luster to life, even in the academic world.

Yet there are arguments against this alternative. Conflict has meaning because it can be contrasted with its opposites: order, calm, deliberate action, or peaceful negotiation. Sooner or later conflict ends, difficulties are resolved, the sides retire to lick their wounds. Both in a sense have won, and both have lost. Conflict, moreover, is costly. It wastes resources and energies that are urgently needed in the building of a science and in the better teaching of knowledge. Presumably the adoption of this alternative would be based on a judgment that the chances of winning are reasonably good, that management faculties would gain more by fighting than by some other course of action. That this is not clearly evident would add to the risks of declaring an open battle against forces that may weaken the management department as a major unit of the business school. At best, the act of declaring war could win little more than sympathy for the underdog, since our resources for open battle are slim. Management departments would have to rely mainly on

their traditions and their historical precedence in the academic community, which are none too strong a foundation.

What then can and should be done?

I propose that management faculties take a deeply introspective look at themselves in order to discover their inner needs and resources. Rather than to ignore the problem or to intensify inter-disciplinary rivalry by direct combat, I propose a systematic and deliberate effort to build upon present foundations. Moving forward vigorously but not aggressively will require a unity of thought and action that comes only from a better understanding of what the aims of a management department should be. Not one but three responses are demanded. First, management departments and their faculties must redefine their own academic image. Second, after re-formulating their most important objectives, management departments must throw off the shackles of an undistinguished past. Third, management departments must become far more oriented toward genuinely scientific research than they have ever been in the past.

Let us explore each of these courses of action more fully.

THE ACADEMIC IMAGE

Management departments need in these times of rapid change a sharper sense of their own identity: Teachers of management need to raise among themselves the questions, "What do we want to be?" and "What do we want to do?"

In this respect management differs from other disciplines in schools of business. They know who they are and they know what they are doing. Marketing, for example, will always be marketing, no matter how it changes. It can adopt a management perspective, enlarging its horizons and giving its work depth, but it will retain its marketing orientation. Its academic connections as a discipline will not suffer. If, however, the major business disciplines *all* do this—and management faculties do nothing—the formerly functional disciplines could supersede the management department, thus overcoming the threat of their decline and ultimate demise.

The revitalization of the functional sub-disciplines in schools of business is thus a valuable lesson for departments of management, since it involves a recasting of their own academic image. What, for example, is the image of today's forward-looking department of accounting? Years ago it transcended the bookkeeper image, reaching for professional accountancy culminating in the C.P.A. Now it seeks to transcend professional accountancy, to attain a new role in the managerial and administrative processes of the corporation.

Disconcerting though it may be, management departments and management faculties are not as highly esteemed as they ought to be, not even by those within our schools of business. Under these conditions management faculties must determine for themselves the image they would take before the academic community, and proceed to take actions that will sharpen that image. Before much progress can be made, the question of basic aims will have to be decided.

REFORMULATING OBJECTIVES

Management departments badly need to rediscover their *raison d'être*. In the beginning management departments were a handy, functional kind of grouping, neatly filling out the logics of the Marshallian schema of functional departmentation in organizing schools of business. Such departments were allocated an area of production management, a field of personnel management narrowly construed, and, finally, some loose subject matter areas that didn't seem to fall anywhere else. A "service course" orientation arose, resulting in the creation of courses in which all the functional departments had a strong voice, since their students were required to take them as part of a core curriculum.

Management faculties must decide what subject matter will provide the best basis upon which to develop a sound *raison d'être*. An important question is whether they can claim any distinct body of subject matter as their own—one that can be relatively impervious to the inroads of other disciplines. At present management departments and their faculties are wavering irresolutely between two different kinds of subject matter, thus clouding the departmental image. A choice between the two areas of subject matter would provide a better target and ultimately would sharpen the departmental image. The first alternative would be to build up our traditional production management and personnel administration areas. The second would be to select general administrative and organizational behavior as the primary area, with a consequent de-emphasizing of the personnel and production areas.

Focusing upon the traditional sub-areas within the management discipline, management faculties would develop their reputations as experts in production management or in personnel administration, including human relations. New faculty members would be selected from persons doing significant work in these fields. Former departmental interests in general management processes, business policy, administration, and organization would decline. Other sub-disciplines in business administration would absorb this body of subject matter, diffusing it through the school. This alternative would, then, have the merit of building upon already existing strong foundations. Other departments in schools of business would favor it, because they would be free to expand the managerial components of their own disciplines without risking criticisms of empire-building or overlapping of effort. Students, moreover, could have a clear-cut major field within the department.

However, this alternative represents a limited and unsatisfactory objective and it cannot seriously be considered. For one thing, the importance of personnel and production management areas may be declining for the same reasons that spell the decline of other functionally oriented areas. As such areas develop, they push in the direction of the subject matter of general management organization and administration. Thus management faculties would be limited in their teaching and research interests—confined to a scope that is narrow and devoid of an emphasis upon the mainstreams of vitality currently flowing into business administration. Moreover, with changes in supporting scientific disciplines, personnel and

production management subject matter may become more fragmented than ever. Much of the production management area can be absorbed by economics, engineering, accounting, and finance. Much of personnel administration, including human relations, can be absorbed by all functional departments and by high-level courses in behavioral science applications to administrative science action and theory. These events, which could lead to the elimination of management departments, will of course occur only by the failure of management departments to redefine objectives and vigorously reassert their departmental role in the affairs of schools of business. The alternative of turning to personnel and production areas as the major objective would be disadvantageous also to schools of business, because it does not provide a co-ordinative influence. One cannot leave the problem of co-ordination to the sub-disciplines themselves; nor can one leave it to committees; nor can one trust in a hypothetical spirit of co-operation or that strong administrators will bring about this co-ordination.

In pursuing this first alternative of building up our traditional production management and personnel administration areas, management faculties would find the service course concept a dangerously blind alley. The idea of being largely a service department has at first glance an appealing cast to it, for service implies the filling of a need. Many have a favorable emotional set toward service. On the other hand, the service course goal is limited and illusory, having no horizons beyond the institution in which it occurs. It has no unity derived from support of, or attachment to, any outside basic discipline and it has no base or foundation for scholarly effort, both of which buttress teaching in a university. Teaching becomes merely a packaging operation, and weakens a department by making it a dumping ground for unwanted subject matter areas and for general courses. The service-course goal does not permit working closely with students, guiding them in their careers. It leads to an (academic) image which lacks sharpness of detail and vigor of direction and it lays the groundwork for the inroads of other disciplines in the great struggle for academic respect and prominence.

The second alternative in selecting objectives would be aggressively to identify the area of general management, administration, and organizational processes as the special and unequivocal province of the management department. It will at once be said that there has never been any doubt about this; yet the claim of management faculties to their special area has been gradually diluted through the years by the assertion of other functional areas that they too teach "management." In a limited sense all areas of a business school do have a part in the teaching of management. Yet it is the management process that transcends functionalism that management faculties should be concerned about. In the substantive aspects of marketing or finance, for example, management faculties can claim no specific skills. But in the general management and administrative processes their claim to a specialty can be supreme. The claim of the functional sub-disciplines that they teach management or administration is both specious and spurious, if management and administration are defined as fundamental processes underlying all business or organizational activity.

Of all the faculty groupings in business administration, the management faculty has, by the very nature of its subject area, the greatest possibility for integrating and advancing the entire range of applied subject matter to be known as administrative or organizational theory. This objective, however, need not eliminate other objectives. It need not preclude strong faculties and strong teaching in personnel administration, human relations, production management, and related subjects. Students could major in personnel, production, or in general administration and organization, but by being clear about our primary *raison d'être*, management faculties may provide the basic integrating influence in schools of business.

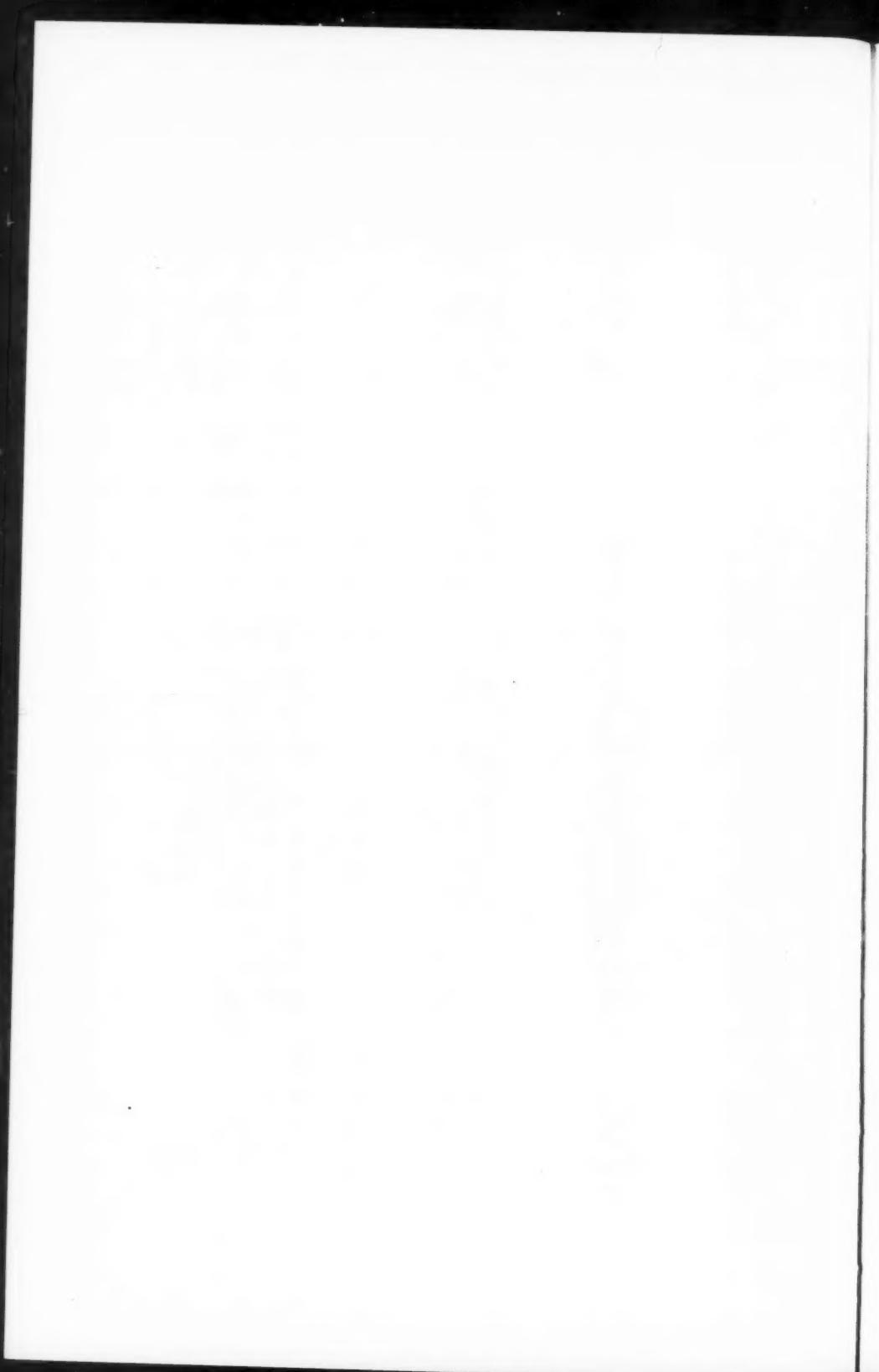
A RESEARCH ORIENTATION

But more than anything else, management departments need a solid research orientation. By research is meant that genuinely scholarly work which accumulates new fundamental knowledge, first through accurate descriptive stages and empirical findings and ultimately through testing of hypotheses and confirming laws and principles. Identifying a basic discipline requires the supporting mechanisms of scientific methodologies.

To illustrate this point, consider how inadequate, even at the elementary level of description, is administrative and organization science, in spite of the efforts of many supporting disciplines. Our best descriptions of what an executive is and what he does came first from novelists, later from magazine reporters, and still later from psychologists, anthropologists, and sociologists. This represents an interesting frontier open to discovery and scientific investigation by management faculties.

A research orientation leading to definitive works by management scholars will do much to minimize the difficulties management faculties now face. Scientific research can yield a sharper identification of objectives and an improved departmental image. And it can lead to a sharper and more effective curriculum-building effort. Thus a greater unity of thought and effort than management faculties have heretofore enjoyed will surely emerge.

This article was originally presented as a paper before the Management Section of the Southern Economic Association in Jacksonville, Florida, November 20, 1959.



A New Approach to Operational Creativity

WILLIAM WILSON
Kimberly-Clark Corporation

Almost every one is interested in the subject of creativity today. We at Kimberly-Clark¹ share this interest, to such a point that we have an active program. To many people creativity has recently become a fad. Much of what we read in technical journals and periodicals or hear at seminars and conferences is by necessity a superficial examination of the creative process. Because of this many companies that have adopted these "creative techniques" are becoming frustrated and disenchanted with even the mention of creativity.

I do not intend here to go into the techniques of the method used at Kimberly-Clark. There are many approaches to this subject, including Osborn's Brainstorming, Crawford's Buzz Sessions, Arnold's System, and Gordon's Method. Many companies, such as General Electric, Minnesota Mining & Manufacturing, General Mills, Standard Oil of New Jersey, and S. C. Johnson & Sons, have excellent programs in this area. It is not my purpose to compare these programs. They all have merits and drawbacks.

What I propose to do is to give you a brief history of our operation. Then—and this is more important—I want to discuss with you some of the problems that faced us in our creative efforts within a large corporation. I want to explore some of the intra-group reactions and something of our relationships with our colleagues in the rest of the company. Looking back on eighteen months of experience, it seems to me that there are certain factors which simply must be considered by any one who attempts such an activity in an industrial enterprise.

INVESTIGATING THE FIELD

Our efforts in creativity go back many years. The work which culminated in the formation of our group originated with Walter Swanson, our Vice President in charge of Research and Development. Mr. Swanson feels very strongly about creativity. He is interested in providing a working atmosphere that will permit expression and development of the creative capacities of his research people.

¹ Menasha, Wisconsin.

Some time ago, he asked me to investigate the whole field of creativity. For a year and a half I studied what other companies were doing and attended seminars and conferences on the subject. I visited with the people most active in the field in order to discuss fully the techniques which were used and the philosophies of their particular approaches.

While many of these attempts were useful in and of themselves, most of what was going on was somewhat superficial. However, there was, in my opinion, one person who was trying to be much more basic and fundamental than all the rest. This was W. J. J. Gordon at Arthur D. Little. What Bill Gordon was trying to do was to observe people while they are being creative and, if possible, analyze and record what goes on. In a sense, he was trying to formalize the creative process. He wanted to break it down into its basic components. He wanted to do for creativity what the statement of the scientific method did for science.

Our company encouraged the Gordon group to put into text form what it had discovered. The result was an article published in the *Harvard Business Review* of November-December 1956 entitled, "An Operational Approach to Creativity."

CONSTRUCTING A PROGRAM

The Gordon group, working within the research atmosphere of Arthur D. Little and Company was and is phenomenally successful. The question in the minds of our management was whether a similar group could function with equal effectiveness within our type of organization. It was decided to duplicate, as nearly as possible, the conditions under which the Arthur D. Little group operated. Our management decided to withhold judgment regarding the success of this endeavor for three years. We have now been operating for a year and a half.

Now let's see what we have done. Kimberly-Clark is the fourth largest pulp and paper manufacturer in the United States and sixth largest in the world. It is a manufacturer of consumer products such as Kleenex Tissues, Kotex Feminine Napkins, Delsey Bathroom Tissue, Kleenex Kitchen Towels, and Kleenex Table Napkins, as well as a large producer of industrial products, including newsprint, bookpaper, writing paper, and packaging materials. We are known in the business world as an extremely conservative company. The enterprise is sound, with a good record behind it, and it does things in an orthodox and a conservative way.

We placed into this conservative environment a group of people chosen from the various divisions of the company and representing extremely diverse backgrounds. The group consists of a chemical engineer, an architect, a lawyer, a physicist, a salesman, a chemist, and a West Point graduate. Our group has no defined or routine responsibility for any particular area of the company's activity. We can work on new products, personnel problems, financial problems, marketing problems—in fact, anything. We alone have the right to pick and choose what we will work on. We have our own bank account. We have our own laboratories and our own machine-shop where we can build what we wish. We are not subject to the normal regulations that apply for the rest of the company: organizationally we are independent.

I would like now to talk about some of the aspects of such an endeavor which can be major factors in its operation. Just a moment ago, I enumerated the many freedoms which our group has. I want to discuss more fully this whole concept of freedom.

THE PRICE OF FREEDOM

It should be appreciated that those who function in an environment of freedom must pay a price. The price is insecurity, with its accompanying levels of anxiety. This anxiety can have such a crippling effect that a person or group may be reduced to a state of indecisiveness and inactivity. On the other hand, it can be the irritating spur that leads to accomplishment: It can impart a sense of urgency to all people—and particularly to a creative person.

The problem we all face is to relieve this anxiety. Its relief can have either bad or good effects. If the anxiety is relieved by purposeless activity, such as just keeping busy, nothing is accomplished. On the other hand, if it is relieved by purposeful activity, the result is positive accomplishment.

But how do we reach this goal of purposeful activity? Our experience has shown us that out of this whole limitless area of freedom which was ours, we had to decide where we would concentrate our efforts. In other words, we had to place limits on our freedom. This is nothing more than self-discipline. To fail to do so would have resulted in continual vacillation, lack of accomplishment, and the purposeless activity mentioned a moment ago. *One can't have purposeful activity until one has limited freedom.* Many persons are unable to limit themselves when given total freedom, and they therefore accomplish nothing.

It might be pointed out here that as a result of this inability or unwillingness of people to limit themselves, limitations must be imposed upon them by others. Because of this, many complicated organizational structures have developed—as a means of limiting people.

CONSTRUCTIVE ANXIETY

How did the members of our group react to the complete freedom which they were given? Their anxiety rose and was manifested in such statements as, "We aren't as free now as we were before." What they meant by this was that they were now experiencing a new kind of responsibility—the responsibility to set limits and direction on their own freedoms rather than have their freedom limited by the organization. Another way in which they showed their anxiety was by continually arguing about the question: "What shall we work on?" After examining a specific job, the group usually felt that it was too small. We felt that we should be working on the big, the dramatic, the revolutionary project. Our anxiety rose to tremendous heights. However, as a group we came to the realization that we had to limit our freedom. This was true regardless of what we worked on.

By arbitrarily deciding on a specific project, we put the energy of our anxiety to work for us. We converted this energy to effective use on specific applications. We finally learned that the very essence of our freedom was our ability to limit its scope.

FAILURE AND THE LEARNING PROCESS

In working out our philosophy, we had to come to grips with a second factor which we felt required a proper attitude if we were to succeed as a creative group. For want of better words, I call it the problem of *fear of failure*. Why do most people dread failing at something? Is it basically an insecurity, an anxiety that they will be found lacking? Is it that they might be ridiculed or laughed at? Is it the fear that someone might do the job better?

I don't think people actually fear failure itself. What they really fear is the ridicule or criticism which usually accompanies any observed or known failure.

Being a new group, ours was particularly susceptible to ridicule. However, we felt that within the group we have removed this fear. We have done so by encouraging each other to do things that appear to be "screwballish." When it is understood that one is expected to do that which to many would appear to be bizarre, or half-baked, one doesn't mind what the consequences may be. Our group, you see, provides a haven in which to carry on this kind of activity. Since the world doesn't see it, there is no ridicule. In such a situation, one can then bring out and show the world only those ideas which prove to be successful—one's mistakes can be buried in a friendly grave.

Another way we cope with the problem of fear of failure is by developing an attitude that there is no such thing as failure, because seeming failure is a learning process. The only real failure is not to have learned something from our mistakes. An even greater failure is not to have tried in the first place.

THE INDIVIDUAL VERSUS THE GROUP

A third basic problem facing any group such as ours is the problem of operating as a group while maintaining the dignity and individuality of its members. The trend of our times is toward more and more group activities. This is true in industry, in government, in schools, in the professions, and in science. We have committees, task forces, teams, councils, boards, and staffs. This trend, like any other, has its favorable and unfavorable aspects.

In our society today it is patently impossible to know everything. This is the age of specialization, when it is difficult for an individual to grasp even a small part of a whole subject. Therefore it becomes an absolute necessity to achieve a high degree of effective communication and exchange of ideas among the various disciplines if progress in creativity and improvements in work are to result. What we need to do is to bring together modern specialists into working units, units which will respect the individual and permit him the satisfactions of individuality but which will at the same time function successfully as groups.

A group can act as a stimulus for an individual by bringing the experiences of the various members to bear on a specific problem. In this manner the total will be greater than the sum of the parts. This is our reason for using a group.

Unfortunately, in all too many groups as we find them today, meetings are held primarily to air the views of the members and to reach compromises regarding courses of action. Mediocrity results. In such cases, the group becomes a haven for the irresponsible: An individual without courage to go out on a limb can find comfort and security within the group because *he* didn't make the decision—the group was responsible for the action taken.

There is another ever-present danger, that of the group exerting pressure upon the individual to conform. If, in such a situation, an individual accepts the security of conformity, he does so at the loss of his individuality, inventiveness, and uniqueness.

We, as members of our group, had to help one another maintain our own individualities. This was done by encouraging each other to go out on a limb and stick our necks out. And yet, we had to use the group for mutual stimulation. These, then, were some of the things we all had to learn. They centered on the problem of how to use the group effectively.

THE CORPORATION AND THE GROUP

Up to this point I have been discussing some intra-group problems and pressures. I would like, now, to direct your attention to some of the problems that might be encountered by a group such as ours in its relations with the rest of the corporation. Although we like to think of ourselves as being completely independent, the fact remains that we are still part of a larger body and must conduct our work within the framework of this corporate environment. Two problems which can affect work such as ours are those of defensiveness and paternalism.

THE PROBLEM OF DEFENSIVENESS

Modern industrial society is normally divided along organizational lines. The purpose of this organization is to define each person's responsibility. We often try very hard to avoid overlapping responsibilities in an organization. But this is almost impossible. Human beings are so constituted that they like to have exclusive ownership of things, and they like to think of these defined areas of responsibility as private domains. When some one encroaches upon a private domain—or upon what is considered to be a private domain—the result is often one of defensiveness.

Please recall what I have said earlier. We, as a group, have no particular responsibility for any area in the organization. Yet we are free to work in any area. The minute we start work on anything, some one feels we are in his private domain. Really this should not be a question of ownership. A definition of responsibility is not like the boundaries of a piece of property. Actually, no one can have total

and complete responsibility in the sense of ownership. Yet, there appears to be a human tendency to regard it as such. This greatly limits the effectiveness of an organization. We, as a group, have experienced much defensiveness in our contacts with others.

We like to feel that one of the functions of our group is to break down these artificial barriers and establish a freer flow of communication back and forth across the boundaries of these private domains. To do this we have had to discover how to put this natural defensive reaction to use. At least on some occasions we have been able to do this, and in those cases it has indeed been quite simple. When some one acts defensively toward another, he immediately attacks the weaknesses in the other's position, using statements such as "You can't do that because . . . , " or "It won't work . . . , " or "It won't sell" In such cases all that needs to be done is to concentrate one's energies on solving the problems which have been pointed out.

This is something like asking the question, "Is it not good to have and cultivate an enemy?" The way people are, a man's best friend is generally not the first person to tell him of his shortcomings. One might consider defensiveness as competition: We feel in a capitalistic society that competition is healthful. The same thing is true within these areas of private domain we have been talking about, if we will only look at it in the proper light.

Our experience, then, has been this. Whenever we start a job, we are in some one's private domain, and when he finds out about it, generally speaking, he acts defensively. But as long as we are not defensive ourselves, and as long as we work diligently on the weaknesses pointed out to us, we find that people begin to recognize the constructive effort that is going on and eventually become co-operative.

This tends to highlight one of the dangers of a too literal interpretation of organization. A narrow interpretation not only tends to confine a person within an area of responsibility; it makes him think that no one can come within this area. Organization was not designed to place such limits on people. Within our group it is understood that while some one may be heading up a project, he doesn't have it all to himself. If a person has an idea on some one else's project, he feels a responsibility to do something about it—something more than just telling the person about the idea. In our group we feel a responsibility to encourage each other and to do those parts of a job which in our opinion we can do best. Also we welcome and encourage others to help us in any situation, knowing that something better must surely and automatically result. Thus our group is as "non-organizational" as we can make it. Can you imagine the creative potential if entire companies were so constituted?

THE PROBLEM OF PATERNALISM

Finally, let me talk about paternalism. A company, in my opinion, becomes paternalistic in order to placate the fears, tensions, insecurities, conflicts, and troubles which its employees experience as they go about their jobs. A paternalistic corporate attitude tends to minimize many of these frustrations. Paternalism thus

attempts to construct organizations in such a way that conflict is not possible. It is directed toward reducing the insecurity of people and thus reducing their anxieties. But anxiety is the very stuff from which the best creative effort springs! If one isn't anxious about a given situation, he certainly isn't going to do anything about it. And insecurity is one of the many ways of triggering the necessary anxiety. Thus paternalism works to the detriment of creativity.

Paternalistic companies tend to over-organize. They define each person's responsibility so carefully that the person knows exactly what to do. Relief of anxiety in this way is of no help to creativity. Understand that I am not against good organization, but I do feel that we should be aware of the effect of over-organization on creative effort. If we understand these things, we can operate within our organizations in a creative way.

CONCLUSION

The increasingly rapid rate of change in our industrial society and the rate of obsolescence of products and processes demands that we be more creative in our work. We can best meet this demand by understanding the creative process itself and by understanding the environment in which it best operates. Any creative work is based upon changes in our ways of doing things and in our ways of thinking. The creative act is one which brings about a new relationship among existing ideas or things.

There are many techniques for achieving creativity, some good and some bad. However, none of them will work effectively unless the people involved begin to understand some of the problems we have just been discussing.

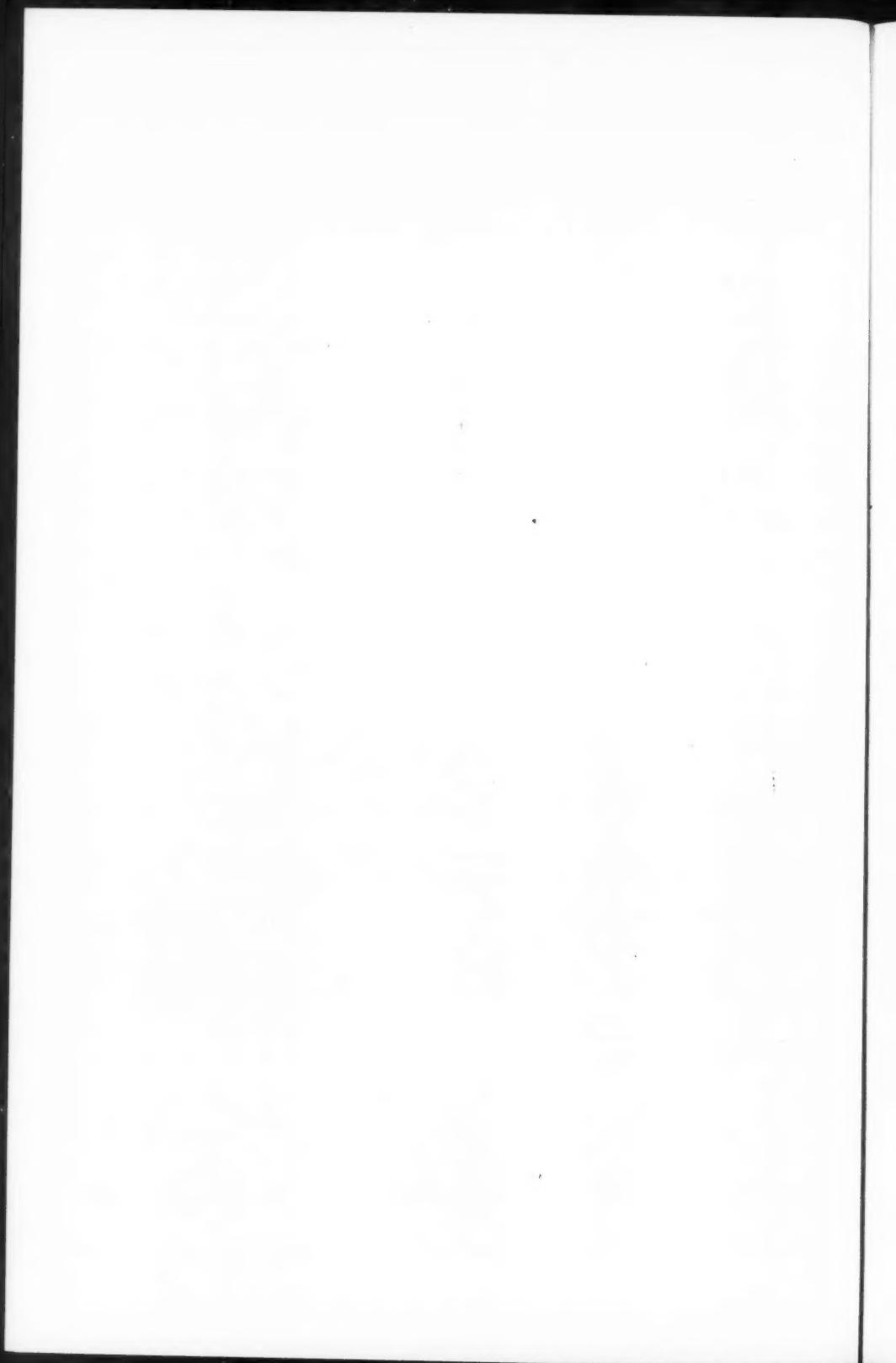
I refer specifically to the problem of freedom: not only is it a prerequisite for creative work, but it is necessary for its user to place his own limitations on this freedom.

And I refer to the problem of how best to use a group: for mutual stimulation and encouragement, and for the synthesis of experiences and viewpoints.

I refer also to the problem of developing permissiveness and positive attitudes as a means of eliminating the fear of failure.

Finally, creative groups must understand how to operate successfully in a company. This can be done only by making defensive attitudes work for them instead of against them. And it cannot be accomplished without a full realization of the dangerous effects which paternalism and over-organization can have on creative effort.

Adapted from a speech delivered before the Graduate Colloquy in Marketing and Transportation Administration at Michigan State University on December 4, 1958 and published by the Bureau of Business and Economic Research, Michigan State University, East Lansing, Michigan, under the title *Operational Creativity*.



*The Growing Demand for Synoptic Minds in Industry**

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"... the danger that we shall stick too closely to the pattern that we happen to know, in our attempt to extrapolate into the future, is far greater than the risk that we shall wildly imagine impossible human beings and impossible relations among them."

—GARDNER MURPHY¹

INTRODUCTION

Apparently a substantial case can be made supporting the contention that, by and large, business schools have fallen considerably short of fulfilling their potential. This seems true from both the individual and the social standpoint.

It would not serve the main purpose of this paper comprehensively to review the evidence, but it may be noted that criticism of business schools emanates not only from outside observers: Business school administrators have themselves admitted the existence of much confusion of purpose and shortcoming in operation. Indeed, recent years have tended to be characterized by an increasing propensity toward introspection and thoughtful reflection.

Yet, up to this moment, little imaginative rethinking of the profound problems acknowledged to exist has evidenced itself. True there are some "experimental" programs. True there have been a few insightful suggestions. But if one can rightly judge by what is in print, a unifying philosophy is still to be evolved. Very current foundation for this conclusion occurs in statements recently made by R. A. Gordon, Director of the Ford Foundation Study of Business Education, indicating tentatively the major findings of this two-year investigation:²

In 1958 we can also say, as they (Bossard and Dewhurst) did in 1930, that business education is "in process of change." The changes that we can point out will be, in many respects, the same kinds of changes which they thought they saw beginning to occur at the end of the 1920's.

* This manuscript was originally received on June 1, 1959.

¹ *Human Potentialities*, New York, Basic Books, Inc., 1958, p. 193.

² "Business Education at the Undergraduate Level," an address delivered at the Convocation Commemorating the Fiftieth Anniversary of the Founding of the College of Business Administration, The University of Denver, April 24, 1958, p. 21.

The position taken in this paper is based upon the following premises: (1) Time is of the essence. To re-echo Mayo: "There is not much time left us; society, within the nation and without it, is breaking down into groups that show an ever-increasing hostility to each other; irrational hates are taking the place of co-operation."³ (2) The problem of adequate education for totally effective business leadership in our society is profoundly important to us all. Business leaders are the key people in our society's key institutions. (3) While isolated experimental approaches and particularistic suggestions for improvement are surely to be encouraged, what is badly needed is for at least the "professional" business schools to come to some generally agreed sense of purpose and philosophic rationale. One wonders that Peter F. Drucker should have been able to write, after well over half a century of business school operation in this country:

... it would be no exaggeration to say that the business schools, while they have won the war, do not know what to do with the victory. The business schools have "arrived" without quite knowing what their job is, or how to accomplish it.⁴

(4) Carping criticism has long since lost any of the utility it may once have had in stimulating the discussion of these problems. There can be no blinking the persisting deficiencies, of course. But it is premised that the time is now best spent in the formulation of positive, meliorative, constructive conceptual efforts. And finally, (5) it is premised that the quest for an incisive statement of *raison d'être* and plans for its implementation should be a first order of business. Curriculum refinements, operating readjustments, and adaptations to fit local conditions will naturally and easily follow if the dictum "Let's get the theory straight first" is controlling.

The discussion will proceed along these lines: First, we shall attempt to quicken an appreciation of why the nature and quality of administration is of such urgently critical importance in our society in our time. Second, we shall inquire: "What conceptions do business schools appear to possess as to their role in our dynamic social structure?" The third section will state and defend the unifying statement of objectives for professional schools of business which this paper offers for consideration. We shall then, fourth, turn to an analysis of the clear need that exists for business school reconceptualization in the light of the critiques of many of the present conceptualizations and in terms of the unifying philosophy which has been proposed in the preceding section. The fifth part of this paper contains a proposal for the implementation of the objectives suggested to be sought by professional business schools. Herein is perhaps the most novel element in the suggestions offered. Finally, there is a brief recapitulatory section.

1. *The Critical Importance of Administrative Quality In Our Time*

Education for managerial responsibility in our society may well be the most critical and demanding task confronting us in the years and decades just ahead.

³ *Social Problems of an Industrial Civilization*, Boston, Division of Research, Harvard Business School, 1945.

⁴ "The Graduate Business School," *Fortune*, August, 1950, p. 92.

(1) It is not that the vital role of the administrator in modern industrial society has been unperceived. Long ago Brooks Adams remarked:

I take it to be an axiom, that perfection in administration must be commensurate to the bulk and momentum of the mass to be administered, otherwise the centrifugal will overcome the centripetal force, and the mass will disintegrate. In other words, civilization will dissolve...⁵

And over two decades have elapsed since W. B. Donham prophesied: "Indeed, if our civilization breaks down, it will be mainly a breakdown of administration, both private and public . . ."⁶

The mushrooming demand for effective institutional leadership may be analyzed on many levels. The case need not only be grounded in the patent and anxious contention of two opposed value systems. Justification for generally sharper focus on this problem is found, for example, in consideration of such a fundamental, universal property of the universe as entropy, which suggests that all organized matter is tending toward a state of randomness.

In an examination of the psychoanalytic implications of the entropy concept, Franz Alexander concludes that the need for increasing organization is superimposed from the outside on all systems.⁷ Thus, the maintenance of organizational homeostasis, or equilibrium, may require an increasing *negative* entropy, and this in turn appears to require an increasing degree of ordered relationships. In such circumstances, increasingly effective organizational leadership becomes an almost explicitly paramount prerequisite for the continuing survival of modern civilization. We are brought back to our quotation by Brooks Adams.

Thus, an urgent case can be made for immediate and devoted attention to an adequate supply of able leaders, both in terms of the socio-political state of the world today and in terms of general cosmic forces which we are only beginning to understand. Other approaches to an analysis of the reasons for the critical need might readily be explored—for example, in terms of the requirements of automation and the imminent "information technology"⁸—but perhaps enough has been said to establish the point for our purposes here.

So what?, it may be challenged. The Western World has done mighty well relying on the free interplay of social forces to provide what is required. The concept "voluntary response to a felt need" is a fundamental part of our democratic philosophy. Pragmatically speaking, moreover, it has worked. Look about. Are these not widely acknowledged symbols of success?

Rebutting what *is*, and *has been*, in terms of assessing what *is becoming*, and *is likely to be* is indeed difficult. Kenneth Galbraith has assumed such a responsibility

⁵ *The Theory of Social Revolutions*, New York, Macmillan Co., 1913, p. 204.

⁶ "The Theory and Practice of Administration," *Harvard Business Review*, summer, 1936, p. 405.

⁷ "Unexplored Areas in Psychoanalytic Theory and Treatment," *Behavioral Science*, October, 1958, p. 304.

⁸ Leavitt, H. J. and Whisler, T. L., "Management in the 1980's," *Harvard Business Review*, November-December, 1958, p. 41.

in his book *The Affluent Society*.⁹ It is not enough to the point of the present argument to undertake such an effort. And many besides Galbraith have already sprung to the task. Perhaps the words of C. Scott Fletcher, President of the Fund for Adult Education, may appropriately be invoked to support the position taken in this paper:

In the United States we can no longer count on the automatic or accidental emergence of dedicated, courageous, imaginative, and wise leaders. We must now educate them purposefully and by design. That we have not done so previously should not be surprising. Our educational system was not planned with world leadership in mind. It grew haphazardly, preoccupied with such concerns as how to deal with waves of migration, how to fit people for new occupational tasks, and how to cope with changed social conditions. Thus our neglect of the large and primary goal of education is *understandable*. But it is no longer *tolerable*—now that the future of the United States and indeed of all free societies is clearly at stake.¹⁰

Indeed, the times are such that even natural scientists of some eminence are coming to take a rather fresh look at the essential nature of our major social problems:

What we urgently need—far more than we need teachers, engineers, or scientists—are truly great leaders. America is today the richest and still (for a little while) the most powerful nation on earth largely because two centuries ago a most unusual group of great leaders was living here. And America is declining because we do not have such leaders now.¹¹

2. What Conception do Business Schools Have of Their Role in Society?

Lofty and encompassing statements of purpose abound in modern business school brochures. Facile generalizations, garbed in the language of "conventional wisdom"—to borrow Galbraith's suggestive phrase—are at every hand. It is politically imperative to stress the importance of the "liberal arts point of view." It is in the mood of the times to emphasize that attention will be paid to the "social responsibilities of the modern man of affairs."¹²

And who would condemn such tendencies? Are they not a current reflection of the traditional idealism suggested, for example, by the following proclamation contained in the 1922 Announcements of the School of Business of the University of Chicago:

Business . . . , properly understood, falls little short of being as broad, as inclusive as life itself in its motives, aspirations, and social obligations. It falls little short of being as broad as all science in its technique. Training for the task of business administration must have breadth and depth comparable with those of the task.¹³

⁹ Boston, Houghton-Mifflin Co., 1958.

¹⁰ "The Great Awakening," an elaboration of an address published by The Fund for Adult Education, White Plains, New York, spring, 1958, p. 12.

¹¹ George R. Price, "Arguing the Case for Being Panicky," *Life*, p. 125.

¹² In response to a general inquiry sent to about 100 schools of business, one dean wrote as follows: "I might also say that I am very skeptical about stated objectives. They usually are so general, so lavishly expressed that Heaven itself is outdone." (Letter to the author dated December 12, 1958)

¹³ Quoted in "Business as a Profession," a promotional brochure published by the School of Business of the University of Chicago in early 1958, p. 13.

How then is it that the business school image is actually so blurred? How is it defensible for Drucker to have written, not so many years ago:

Alfred Whitehead once defined the "Great Society" as one "in which its men of business think greatly of their functions." But can they think of their function at all if their own professional schools do not know what it is?¹⁴

Business schools are an excellent example of a social institution that arose in response to a "felt need." (This is true although there were and continue to be those who from the earliest beginnings of business schools at Wharton, Chicago, and Harvard have considered them an abomination.) As business complexity increased, the desire to engage new faculty men who had been trained in some specialized aspect of administration was natural. As time went on, "business schools"—often forthrightly and appropriately given such labels as schools of "commerce," "finance," or "accounts"—more generally conceived themselves as places where "applied economics" was to be learned. And here is one master key to the schizoid character they often exhibit.

Duncan Norton-Taylor reported that "the critics charge that the business schools, even the best, have no philosophic focus or solid intellectual content . . . they teach vocations but they fail to teach abstractions that are even more vital to management."¹⁵ It may confidently be assumed that prominent among these critics would be found professors of economics attached to liberal arts colleges.

Parental rejection could hardly be more categorical than has often occurred in the relationship between many liberal arts economics departments and their contemptuously unwanted progeny, business schools. And as the offspring has tended toward giantism—at least one out of every eight college students is now a "business major"—cannibalistic tendencies have become more overt.

It has been suggested that had liberal arts economic thinking not become so preoccupied with macroeconomics, such economic thought might have provided an integrating point of view in terms of which business schools could by now perhaps have achieved some structural coherence.¹⁶ But as things have turned out, *rapprochement* has been very difficult to achieve. Business schools have not often escaped the anxieties attending this fact.¹⁷ Nor have economics departments! But this is another story.

Another cause of the blurred image presented by business schools is found in their profusion of variety. They have, as a group at least, aimed to be all things to all men. And this makes for extreme difficulty and reportedly even for some consternation when generalizations about them are sought.

¹⁴ *Op. cit.*, p. 116.

¹⁵ "Business Schools: Pass or Flunk?" *Fortune*, June, 1954, p. 112.

¹⁶ Bornemann, Alfred, "The Development of Economics and Administration in the School of Business," *Journal of Business*, April, 1957, p. 133.

¹⁷ For example, Norton-Taylor's report that "when asked how he would rate schools, Mr. Kozelka [Richard L. Kozelka, Dean, School of Business Administration, University of Minnesota] reacted with an air of deep embarrassment bordering on horror. He explained that any grading would be unfair, since different schools were doing so many different things" (*Op. cit.*, p. 113.)

Finally we must note that businessmen themselves cannot escape a good share of the blame for the muddled situation we find. Top-ranking business leaders have carried forward to this day, in the tradition of Owen D. Young, statements of "what businesses want from business schools":

. . . the best service which education for business can perform . . . is training in the broad principles of good business management. In this way you will come to turn out not accountants, traffic men, or other sorts of specialists, but attractive candidates for junior executive positions—men who should have the ability to advance rapidly in general responsibility.¹⁸

Yet, at the operating level, it is all too frequently the case that, as someone has said, personnel agents rush to college campuses with manpower specifications drawn as tightly as if they were entering the market to procure steel.

Thus it is not to be wondered that ambivalence has come to be a distinguishing conceptual mark of the business school. Yet there is some ground to predict that some clearer *raison d'être* is beginning to be visualized. To cite one basis for this sanguineness, administrative management is coming to be recognized as capable of providing the kind of unifying framework that economics has failed to offer.¹⁹

But the cardinal difficulty here is that administrative management itself is hardly yet a toddler. It is a rather new orientation into which elements such as operations synthesis and the behavioral sciences are as yet clearly to find their co-related places.

The time is propitious, therefore, to attempt a fresh look at just what it is that education for business leadership should aim to accomplish.²⁰ In the light of current and visible, or probable, socio-industrial circumstances, we inquire: what should be the role of business schools in the structure of our educational institutions?

3. *The Synoptic Mind in Industry*

It has seemed most fruitful to approach the analysis of the proper role for the school of business in our society in the broadest possible terms. Such an appraisal is

¹⁸ Quoted in Bossard, J.H.S., and Dewhurst, J. F., *University Education For Business*, Pittsburgh, Pa., University of Pennsylvania Press, 1931, p. 14.

¹⁹ Cf. John F. Mee, "The Place of Management in the University Curriculum," Proceedings of Annual Meeting, Academy of Management, Detroit, Michigan, 1954, p. 16 ff. Also see Paul C. Goelz, "Toward a Concept of Education for Administration," *The Journal of The Academy of Management*, April, 1958, pp. 62-63.

²⁰ As late as 1953 Dean Kozelka lamented: "The field of education for business administration has been examined from time to time, but never with the thoroughness which has marked the survey in other professions. . . . Attempts have been made to obtain financial support of an adequate study, comparable to the scope of the studies of other professions, but without success. . . . The need for a comprehensive survey of the profession is obvious." ("Professional Education for Business Administration," *Higher Education*, April 15, 1953, p. 188.)

Whether resulting directly from concerns such as those expressed by Dean Kozelka or not, the fact is that there are currently underway two Foundation-sponsored studies of business schools. The first, sponsored by The Ford Foundation's Program in Economic Development and Administration has been active for about two years. It is the study under the direction of Professor Gordon referred to above. The second is under the aegis of the Carnegie Foundation and is under the direction of Professor Frank C. Pierson of Swarthmore College.

From the material available to me at this time, the findings of these studies would appear generally to substantiate the premises upon which the arguments in this paper have been built.

especially indicated when one considers the turbulence and self-examination that the whole of our educational system is presently undergoing—at least at the verbal level.

Business school rationale, methods, and objectives are subject to critical and searching inspection in precisely the decade when the quality of our whole educational system has become suspect. And this is occurring in precisely the decade when quantitative problems threaten to overwhelm the system we presently have. It would be hard to conjure up a more difficult time for business schools to attempt to formulate a newly purposeful way of life.

Yet these are the inescapable constituents of our era. We may be awed by the magnitude and the inherent difficulty of the task; but we must not be over-awed. Time is an essential part of the problem.

As one surveys the present state of learning, he cannot but be struck by the fact that we appear to be in an epoch that dominantly manifests an urgency to integrate, to unify, to find common patterns in the various fields of thought.

Whatever may be the genesis of the modern interest in synthesis, the fact of the keen and well nigh universal interest in finding men who are capable of discovering new truths as a result of repatterning and recombining old ones is indisputable. Broadly speaking, much of our "new" knowledge and "new" inventions are of this sort. Thus, Virgil M. Hancher, President of the State University of Iowa, has been led to remark:

More and more as the volume of facts increases, as the fields of knowledge are extended, we shall need synoptic minds able to survey large segments of the scientific advances of our time, able to see them in relation to each other and able to provide new and more satisfactory explanations of the phenomena which we know.²¹

How does this relate to the problems and issues confronting business schools in the United States?

The tendency toward too much vocationalized specialization, often occurring too early in the student's educational experience, is hardly a new criticism of business schools. But both the fact and criticism of the fact continue, despite some attempts to correct this generally acknowledged fault.

It was but natural that business schools should seek to rectify the error of over-specialization by retracing their academic steps. Clearly, the obvious way to "broaden" the specialist is to require that he spend a significant portion of his time imbibing the "liberating arts." Several prominent businessmen have supported this proclivity:

What we must guard against now is the tendency, in narrowing the specialties, to narrow the specialists as well. We badly need men today with the broad outlook, men with a sure grasp of their intellectual heritage, mentally and morally disciplined and trained to evaluate data and arrive at sound decisions in all aspects of life. . . . We most need . . . men with the broad base of a liberal education plus the capstone of some one field in which they are highly competent.²²

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²¹ Mimeographed "Excerpt from Remarks at the Dedication of the Medical Research Building," November 21, 1957, p. 4.

²² Robert E. Wilson, "Education for Broader Vision," *Think*, November 1954, p. 6.

Actually, the complexities of business are such that someone who understands history, literature, and philosophy, who is in a position to do some disciplined thinking, has the type of mind that will ultimately succeed.²⁰

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. . . the kind of education most productive for the world of business and commerce is far more difficult to define. I believe that the best teaching for this purpose is that which develops proper habits of thought and study. . . . While I believe that the commerce student and the business employee could profit by what might be called the spirit of scientific inquiry, at the same time, I would put considerable emphasis upon the whole area of humanities.²¹

On some such reasoning, member schools of the American Association of Collegiate Schools of Business are obliged to require that at least 40% of the student's time be spent in "liberal" and "general" courses outside those taught in the school of business.

The motivation for such a requirement is surely laudable. But the assumptions on which it is based are questionable. An erstwhile business school dean, high in the regard of his fellows, has recently observed:

It is not necessarily true that the more courses in liberal arts subjects to which a business student is exposed, the better and broader his training is likely to be. A considerable proportion of courses classified as "liberal arts" are as technical as the most advanced course in production management or cost accounting.²²

It may be doubted that synoptic minds will eventuate from even longer exposure to considerably more liberatingly conceived courses in the liberal arts. Yet highly placed business executives insist that the characteristics implicit in the synoptic mind are what is sought:

. . . undue amount of specialization and an undue emphasis on techniques. . . . [The business schools] are good at teaching business methods but not in preparing people for leadership. . . . It is easy enough to teach the techniques of personnel or of time and motion study but something else again to teach the nature and skills of administration.²³

* * * * *

There is a growing fear in the United States that we are facing as great a danger from internal ignorance as from external attack. Our advanced technology has fostered the rapid growth of specialization, and, with it, the intellectually incomplete man.²⁴

* * * * *

The most important part of the scientific method, however, is the part most neglected in education—namely, *seeing* problems. Observation of phenomena, the perception of

²⁰ William G. Caples, in the section "Industry and the Liberal Arts," *Saturday Review*, November 21, 1953, p. 35.

²¹ T. V. Houser, "A Business Leader Speaks to College Students," *Mississippi's Business*, June, 1958, p. 2.

²² Thomas H. Carroll, *Business Education for Competence and Responsibility*, The American Association of Collegiate Schools of Business, 1956, p. 20.

²³ James C. Worthy, "Education for Business Leadership," *The Journal of Business*, January, 1955, p. 76.

²⁴ Gilbert W. Chapman, "The Opportunity Ahead," *Saturday Review*, November 21, 1953, p. 46.

possible uniformities or relationships, and the specification of hypotheses in form to be tested—invention, if you will—are given service but often get scant attention. . . . I think there should be more room in the curriculum for invention, creative thinking, and the specification of hypotheses.²⁸

The importance of the growing demand for synoptic minds in business and industry can be assessed from another standpoint. Accelerating emphasis upon the need for men who are capable of holistically conceiving the organization which they are endeavoring to manage is implicit in the "operations synthesis" approach to decision-making. The possibility of making decisions in "real time,"²⁹ which has been introduced by digital computer systems, bids fair to open whole new horizons for the administrator with a synoptic point of view. Electronic data processing systems have begun to make possible the use of logical techniques for exploring relationships and trends on a probabilistic basis, frequently in terms of simulation, which will certainly require the "committors"³⁰ of the management teams of tomorrow, or the day after tomorrow, to think in synoptic terms. Thus a synoptic mind may be considered the *sine qua non* of the effective administrator of the future, rather than just a highly desired attribute, as at present.

Fundamental and imperative as the need for synoptic minds in industry may be shown to be, contemporary investigations in theoretical and applied behavioral and social sciences have suggested the great importance of other, albeit ancillary, facets of the administrative personality. We shall consider two of these.

In a challenging article Margaret Mead has provocatively inquired, "Why is Education Obsolete?"³¹ Her thesis is that a whole new conception of the learning process has gradually been infiltrating our seemingly rigid educational structure—the lateral transmission of knowledge. This educational concept is founded on what is for her "the most vivid truth of the new age: No one will live all his life in the world into which he was born, and no one will die in the world in which he worked in his maturity." Education via the lateral transmission of knowledge is consequently imperative, "for change has become so rapid that adjustment cannot be left to the next generation; adults must—not once, but continually—take in, adjust to, use, and make innovations in a steady stream of discovery and new conditions. . . ." Since the "primary prerequisite [to the lateral transmission of knowledge] is the desire to know," it becomes one of the essential functions of the educational system deeply to instill a life-long desire for intellectual quest.

The idea that a primary objective of formal education should be to cultivate a keen appetite for new intellectual experience is hardly a new one. And as our culture

²⁸ Theodore Yntema, "Transferable Skills and Abilities," *Newsletter* of the University of Chicago School of Business, autumn, 1957, p. 3.

²⁹ "Operation in real time is achieved when the time required for solution of a problem is equal to or less than the time available for action on it . . . management will make decisions based on all the facts as they exist at the moment of decision." Walter W. Finke, "Making Tomorrow Today's Business," Management Report No. 10: *Operations Research Reconsidered*, American Management Association, Finance Division, 1958, p. 11.

³⁰ Leavitt and Whisler, *op. cit.*, p. 47.

³¹ *Harvard Business Review*, November-December, 1958, p. 23 ff.

has accelerated the rapidity of its technological and social change, many observers over the years have noted the profoundly important implications that such change has for our educational institutions. Education for business administration proves no exception.

Indeed, it may well be contended that in our social system, business enterprises are *par excellence* the organizations which are most sensitized to the implications for all kinds of changes which innovations suggest. Business schools, having assumed the responsibility to provide for business leadership, are socially charged as a very minimum to keep abreast of developments. This fact, too, has long been recognized:

All education, whether for the professions or for business, is for life, and education must change, in purpose, content, and method, with changes in the conditions under which men and women live and make their living....

Economic and social conditions have changed greatly during the last half century, and today are possibly more dynamic than ever before. It is manifest that university education for business cannot be static without losing the vital touch with social and economic life that is essential to the accomplishment of results.²²

The conception is tending to emerge among business educators, consequently, that perhaps the most continuously useful attribute of the trained and disciplined mind is to be found in that mind's urge to grow and develop. The knowledge which is imparted in the classroom is recognized to be distinctly secondary to the mental attitudes which are there instilled. As University of Chicago President H. P. Judson has put it, in considering "Higher Education as a Training for Business" before the turn of the century: "The higher education supplies both knowledge and power; and of these, power is the more important."²³

An important characteristic of the synoptic mind in industry will then be its endless desire to know, to understand, to comprehend, and to interpret new fact and new meaning. For such a mind, the lateral transmission of information will come effortlessly and as a matter of course.

Lest all this emphasis upon minds that are both synoptic and questing imply an overly dehumanized conception, it is well that we now attend to the third attribute which, combined with those already discussed, provides an adequate footing for the construction of a business school image appropriate to the times.

Elton Mayo was among the first to point out the implications for education of our transition from an Established Society to an Adaptive Society. The key to living successfully in the traditional social structure is found in the maxim "a place for every one and every one in his place." Life was ordered and orderly—at least compared with today's.

In such circumstances educators could with confidence prescribe courses of study which would nicely fit individuals into their chosen—or rather, for the most part, their assigned—socio-economic niches. To learn "what is" was to have learned "what was" and that was what was to be.

Not so today.

²² Emory R. Johnson, in his Foreword to Bossard and Dewhurst, *op. cit.*, p. vi.

²³ Chicago, University of Chicago Press, 1896, p. 45.

The aphorism which today provides the key to successful living runs "the only thing that is changeless is change." "Progress" and "dynamic growth"—these are today's rubrics. And for the individual, "adjustment."

It is from these roots that management's present abiding concern with human relations has sprung.

It is not that business educators have completely failed to recognize the importance of treating these matters in the curriculum. "An understanding of human nature and human relations and facility in group or co-operative effort" was in 1931 cited as one of the three "aspects of executive work [which], in particular, would seem to merit considerable attention in the administration of the university curriculum in business."³⁴

But recognition of the need apparently considerably foredates general curricular provision for its satisfaction. As late as 1945, for example, Mayo warned:

We fail to train students in the study of social situations; we have thought that first-class technical training was sufficient in a modern and mechanical age. As a consequence we are technically competent as no other age in history has been; and we are combining this with utter social incompetence. . . . *This defect of education and administration has of recent years become a menace to the whole future civilization.*³⁵

That contemporary business leaders professedly assign relatively heavy weight to such qualities as these is easy to demonstrate. Modern management literature abounds with approving statements. Perhaps one of the most operationally specific indexes of the importance attached to "skill in human relations" is found in a recent declaration by A. J. Nickerson:

. . . We know that when we are looking for men with executive ability to promote, their technical knowledge at that stage is often relatively less important than their ability to deal with more abstract problems involving judgment and ability to reason. There is, in fact, a sort of crossing of lines in this regard. While a man's technical knowledge may be his best tool during his first five years or so with our company, in many cases this curve tends to flatten out on the value chart and is met by the ascendant curve of the man's skill in human relations and other factors. . . .³⁶

To summarize, the position taken here is that the first order of business of "business schools" should be to culture and to develop minds which are *creatively synoptic, endlessly inquiring, and humanely sensitive*. This constitutes the *summum bonum* of education for business leadership.

We may now address ourselves to the question of how the attempt to achieve this objective may be implemented. Does it call for drastic revamping of the present organization of institutions of higher learning which seek to produce men capable of effectively assuming the mantle of executive responsibility in our ever-changing industrial society? It does.

But why is this so?

³⁴ Bossard and Dewhurst, *idem.*, p. 69.

³⁵ *Op. cit.*

³⁶ "Climbing the Managerial Ladder," *Saturday Review*, *idem.*, p. 38.

4. The Need for Business School Reconceptualization

Over a quarter-century ago a sympathetic survey of leading business schools confessed that:

. . . American higher education for business is not the story of the development of schools with unified programs of instruction nearly so much as it is the story of the growth of departments with their ceaseless proliferation of courses, their narrow specialized curricula, their needless duplication of material, and their frequent lack of co-ordination.³⁷

It is hypothesized here that that indictment, by and large, remains uncomfortably valid today. Support for this hypothesis is readily at hand. Ordway Tead, for example, concludes:

. . . if society is looking to the higher educational institutions for administrative leaders, there is still much work to be done by them to discover how best to fulfill this expectation. . . . There has been progress in education as applied to corporate leadership. But it has been thus far, even at its best, lacking in clear and sufficiently broad objectives, been fragmentary in content and tentative in method. And it needs above all a wider grasp by teachers and students of the social and moral significance of administration and of the functional role of business in society.³⁸

We have already alluded to the forthcoming Gordon study, which apparently will "officially" confirm in essence this continuing failure.

I have said that business school leaders have become increasingly introspective. The depth of dissatisfaction with what is found would be difficult to state more tartly and baldly than occurs in a promotional brochure issued recently by one group of such soul-searching administrators:

Business education, however, stands at a fairly rudimentary stage of development. In general the schools of business in the United States are doing a reasonably good job of teaching what the practice of business was three to ten years ago. They are doing a poor job of helping the student prepare for the life-long self-education that a career in modern business demands.³⁹

Despite the finding of Duncan Norton-Taylor in his (in)famous article "Business Schools: Pass or Flunk?" that "most businessmen seem to think the schools of business fine",⁴⁰ much evidence to the contrary exists. The very articulate James C. Worthy puts the indictment in these ringing terms: ". . . it has been the experience of many businessmen that, by and large, what people learn in business school is of little value to them in business—often quite the contrary.⁴¹ (Italics supplied.)

Generally speaking, business schools have led an academically marginal and an intellectually insecure existence. The all-too-widespread tendency supinely to prostitute curricula and faculty to the imagined "real needs" of business has gained appro-

³⁷ Bossard and Dewhurst, *idem.*, p. 450.

³⁸ *The Art of Administration*, New York, McGraw-Hill Book Co., Inc., 1951, p. 206.

³⁹ University of Chicago School of Business brochure, *idem.*, p. 7-8.

⁴⁰ *Op. cit.*, p. 112.

⁴¹ James C. Worthy, *op. cit.*, p. 76.

bation in practically no quarter. Business school leaders all too often have tended to follow the easiest and most expedient path to meeting a "felt need." It is difficult not to find significant correlation between this fact and another hard fact, namely, Dr. Dael Wolffe's finding that undergraduates studying business and commerce have, on the average, a lower intelligence level than any other group of predominantly male students, with the exception of those majoring in physical education.⁴²

Thus, for what has been argued to be perhaps the most vital and consequential positions of leadership which our society needs to fill, the educational institutions which seek specifically to provide these men attract from among the lowest ranks in terms of intellectual potential, and offer them an educational experience, which at least some business leaders find, in some cases, is of negative value!

What, then, is to be done? How may we at least begin to create the sharp, meaningful institutional image which appears so sorely to be needed?

5. A Heuristic Suggestion.

Let us be clear about the type of institution with which we are proposing to deal. Among the many varieties of "business schools" which may be discerned, we are here concerned only with those which seek to provide professional managers, typically for large corporate enterprises. Necessarily, therefore, we are considering only the larger, the more well-established schools of business generally associated with our leading universities. And let us recall that, at least for institutions of this type, we have concluded that the generally guiding objective should be to produce minds which are creatively synoptic, endlessly inquiring, and humanely sensitive.

Remember what it is we are seeking to do: to educate for executive leadership in these critical times. And what constitutes the effective executive? In the recent words of C. H. Greenewalt:

... the basic requirement of executive capacity is the ability to create a harmonious whole out of what the academic world calls dissimilar disciplines. . . . [The executive's] most important function is to reconcile, to co-ordinate, to compromise, and to appraise the various viewpoints and talents under his direction to the end that each individual contributes his full measure to the business at hand.⁴³ (Italics supplied.)

Decades ago such diverse educational philosophers as Ortega⁴⁴ and Donham⁴⁵ emphasized the dangers inherent in the overly narrow, technical, specialized orientations characterizing most universities. If Greenewalt's delineation of the "basic requirement of executive capacity" be accepted, evidence multiplies that the conceptions reflected in present-day organization of most business schools will not serve.

Can we discern an educational mode which will better assure that business schools more nearly achieve a goal commensurate with modern society's urgent

⁴² *America's Resources of Specialized Talent*, New York, Harper, 1954.

⁴³ "What Makes a Good Executive?" *Think*, December, 1958, p. 8.

⁴⁴ Jose Ortega y Gasset, *Mission of the University*, Princeton, Princeton University Press, 1944. Originally published in Spain, 1930. See especially Chapter V, "Culture and Science."

⁴⁵ W. B. Donham, "Training for Leadership in a Democracy," *Harvard Business Review*, spring, 1936, p. 261 ff.

leadership needs? It seems quite clear that amelioratives will not suffice. We shall likely have to be prepared earnestly to consider quite radically different forms of faculty organization, curriculum content and structure, pedagogical methods, and sets of objectives than heretofore. Have we any indication of where to start?

Over a quarter-century ago Bossard and Dewhurst found that "the outstanding present-day need in collegiate education for business . . . [is] the effective co-ordination of the elements of the business curriculum into a structural entity."⁴⁵ More recently Alfred North Whitehead observed that:

. . . the management of a university faculty has no analogy to that of a business organization. . . universities cannot be dealt with according to the rules and policies which apply to the familiar business corporations. *Business schools are no exception to this law of university life.*⁴⁷ (Italics supplied.)

Even more to the point is Felix Frankfurter's incisive appraisal:

That our universities have grave shortcomings for the intellectual life of this nation is by now a commonplace. The chief source of their inadequacy is probably the curse of departmentation.⁴⁸ (Italics supplied.)

It is difficult to avoid the conclusion that compartmentalization of knowledge for purposes of analytical convenience has tended to result in faculties which are all too mentally departmentalized. This inevitably has led to organization structures reflecting academic jurisdictions and vested interests. But an integrated, holistic view must somehow be achieved. The block to effective education for business leadership created by tendencies to narrow functionalism must be eliminated. As G. L. Bach concluded, after observing that "every school can make a more serious effort to break down field barriers":

. . . in many respects, the biggest problem in business education is how to get improvements made, even after people agree they ought to be made—not just to agree that something ought to be done.⁴⁹

The group-dynamics research of orton Deutsch provides a clue as to how we might best proceed. In "An Experimental Study of the Effects of Co-operation and Competition Upon Group Process," Deutsch found:

. . . that greater group or organizational productivity will result when the member or sub-units are co-operative rather than competitive in their relationships. The inter-communication of ideas, the co-ordination of efforts, the friendliness and pride in one's group, which are basic to group harmony and effectiveness, appear to be disrupted when members see themselves to be competing for mutually exclusive goals. . .⁵⁰

Applied to the problem at hand, this conclusion suggests that business school faculty organization should emphasize co-operation rather than competition. It

⁴⁵ *University Education for Business*, op. cit., p. 458.

⁴⁷ *The Aims of Education*, New American Library Edition, Mentor Books, p. 104.

⁴⁸ *Ibid.* Introductory letter of appreciation.

⁴⁹ "Some Observations on the Business School of Tomorrow," *Management Science*, July, 1958, pp. 362-63.

⁵⁰ *Human Relations*, Vol. II, No. 3, 1949, p. 205.

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should promote activity fostering conceptions of interdisciplinary interdependence. It should implicitly urge each faculty member to think in terms of general responsibility for the final product. Essentially the organization should be oriented to the educational synthesis in some broad subject matter area which is ultimately sought for each student. No longer would the educator's responsibility be discharged when he has "taught" a "course" of highly specialized subject matter. A genuine *management* point of view would be sought, and, ideally, achieved.

But if traditional departmentation is abandoned as an organizational form, what takes its place? Instead of the functional department, the basic organizational unit would be the multi-disciplinary group. The total faculty of a school would then comprise several of these semi-autonomous yet complete and structurally integrated educational units. Each such group would possess a combination of professors from academic disciplines which were both complementary and supplementary for the purpose in view. Each would provide for the assigned student the core of his synoptic experience in business administration.

How would such an arrangement improve the quality of instruction? How would it improve the business student's educational experience? We have already indicated that there is criticism of universities in general and business schools in particular for having too closely aped what is widely found in the organization of large-scale business enterprise. But in some respects it may be urged that perhaps not enough transfer of learning has occurred.

It is increasingly desired in many large businesses that executives be "cross-fertilized." By this is meant that specialized personnel become better *managers* as they are able to appreciate a given business problem from several particularistic points of view. This is thought to be a way to decrease the myopia which so frequently disastrously affects the judgment of specialists, especially as they climb the hierarchical ladder.

Business faculty members are perhaps even less immune as a group to proclivity to over-specialization than are business executives. And, considering the broad social ramifications of the educator's work, such near-sightedness doubtless has even more profoundly harmful general consequences.

It seems likely that the new organizational structuring which is suggested here would be potently reinforced by appropriate physical arrangements. Much behavioral research has demonstrated the determinative role played by physical juxtaposition and propinquity. Interaction among faculty members who are on the same faculty "team" but whose major areas of primary interest substantially differ may be considerably heightened and strengthened by office and conference arrangements which emphasize the group as an integrated educational entity. We may be sure that men having need for intellectual stimulation from those whose particular interests closely parallel their own will seek each other out. Without purposeful and deliberate design we cannot at all be certain that men with diverse backgrounds and interests will effectively interchange their useful ideas.

The elimination of functional departmentation in business schools will ramify profoundly both operationally and conceptually. Curriculum content and structure must certainly be re-thought in these new terms. Pedagogical emphases will doubt-

less change. Administration-faculty relations will take on new dimensions. Empirical attitudes toward existing arrangements and relationships will be encouraged. All manner of routine will be dis-rutted. And new sources of disappointment and frustration will appear: "Where there is movement, there is friction."

Fortunately those of us who advocate radical redesign of business school faculty organization are not without support in other quarters. A noteworthy proposal for experiment along the lines here suggested occurs in *The New College Plan*:

... it dethrones the course as the unit of knowledge, and by doing so, drastically reduces the number of courses that need be offered. . . . Instead of organizing the curriculum by departments, each of which attempts to provide a course offering which it regards as adequate to cover its subject, New College will aim to fit its students to master subjects, chiefly on their own initiative, by providing them with the necessary skills, resources, and intellectual stimulation.⁶¹

The New College as idea and as reality will warrant the closest attention.

6. Conclusion: *The Synoptic Mind and the Dynamics of Faculty Organization*

We have argued that our society hardly sustains a more critical and urgent requirement than the production of creative, imaginative, and effective leaders. As business institutions are key, the men who shape the destinies of these institutions are key. As these men are key, the institutions which profess to be committed to their production—colleges of business administration—are key.

The deficiencies of schools of business as they typically exist have long been noted. The 1930 report of Bossard and Dewhurst are more recent studies and lend credence to the urgings of those who insist "something must be done." Especially germane to the reorganization suggestions made here is the voice of Paul C. Goelz:

Organizational technology has now at its command a history of experience to which the developments in the behavioral sciences can be conjoined to serve as a solid foundation. . . . The preoccupation with compartmentalized thinking and compartmentalized areas must be replaced by a sound comprehensive body of thought and action, which must embrace values ennobling the human personality.⁶²

When they bother to set down their thoughts, the rebukes of businessmen are all too often bitter and stinging. James C. Worthy's words come all too readily to mind:

The fact is that the conceptual framework within which most schools of business operate is still in such a rudimentary stage that it is scarcely possible to visualize either the subject matter or the methodology of pure research in business.⁶³

Surely judgments such as these cannot be permitted indefinitely to persist effectively unanswered. We have about run out of time, if indeed it is not already, in many significant respects, too late.

Unless we allow ourselves to think imaginatively and to experiment boldly we are unlikely to meet the leadership requirements that we as business educators in a business society have undertaken.

⁶¹ *The New College Plans: A Proposal for a Major Departure in Higher Education*, Amherst, Mass., 1958.

⁶² "Toward A Concept of Education for Administration," *op. cit.*, p. 62.

⁶³ "Education for Business Leadership," *op. cit.*, p. 79.

Faculty Consulting Practices

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INTRODUCTION

This article deals with the findings of a questionnaire survey made during early 1959 on the consulting practices of Academy of Management faculty members. The questionnaire was sent to one Academy of Management member in each institution represented on the Academy's 1957 rolls. Allowing for the shifts in members' institutions, resignations, and leaves of absence that have occurred since 1957, the questionnaire reached 75 professors in 74 institutions. Sixty-three usable responses from 62 institutions resulted, a return of better than 80 percent!

This would seem to be a high return for an essay-type six-page questionnaire. It probably indicates keen personal interest in faculty consulting, particularly considering the length and thoroughness of many of the comments. Also, the apparent lack of knowledge about faculty consulting practices, not only among institutions but within them as well, seems to underlie a strong attitude of faculty curiosity about what other faculty members are doing about consulting.¹

Below is a table showing the geographical location of the results of the survey.

Midwestern	Southern	Eastern	Far Western	New England	Intermontane
21	20	8	6	4	3

A majority of the institutions that returned the questionnaires, 35 of the 62, were located in or close to metropolitan areas, a fact which has some bearing on the availability of consulting jobs. The responding institutions were split evenly, 31 and 31, between private and state-supported types. Ten of the 31 private schools were denominational in their backing. Only 6 of the 62 institutions could be classified as primarily technical.

Of the respondents, most were full professors, although some were associate or assistant professors. A breakdown according to their responsibilities follows:

Professors	Chairmen of Depts.	Directors	Deans	Vice Presidents
37	18	2	4	1

¹ One enlightening study of faculty consulting practices has been that entitled "Policy of American Institutions of Higher Education on Outside Work for Pay," prepared by Dr. Howard R. Smith, Professor of Economics, College of Business Administration, University of Georgia, Athens, Georgia. Dr. Smith surveyed administrators of the American Association of Collegiate Schools of Business. He dealt primarily with the deans' slant on consulting and other types of remunerative outside faculty activities. The present survey of faculty members, however, indicates that deans often may not know what their staffs are doing in regard to consulting or how their staffs feel about consulting policy or its absence.

Copies of institutional regulations were enclosed in the returns in 6 cases. Indications are that a number of the other represented institutions also had published rules. Whether these rules are followed is apparently another matter.

So much for the nature of the respondent institutions and their representative Academy of Management faculty members. What are faculty consulting practices like with regard to control, development, pricing, and competition?²

CONTROL OF FACULTY CONSULTING

The feelings of administrators at the sampled institutions toward faculty consulting were:

60% encouraged consulting

25% were neutral in their attitudes towards consulting

15% discouraged consulting

The encouragement theme seems to be linked with more effective teaching and the need to round out faculty incomes.

Sample comments follow:

The dean of business administration feels consulting is desirable in order to broaden experience of the faculty members and to supplement their incomes.

We believe that a faculty member gains a greater appreciation of the administrative process by occasionally laying his own reputation on the line.

On the discouragement side there is a fear that consulting takes time that should be devoted to teaching, research, and publication:

On the surface consulting is encouraged. Actually, however, it is discouraged by overloading faculty members, thereby eliminating the time factor.

It is my guess that such work will be discouraged only when the professor, department chairmen, and/or dean feel that the work handicaps the professor in the performance of his university duties.

There is also some hesitancy in some state universities to have tax-supported institutional employees competing with private firms:

Members of the University staff may be permitted to do professional work of an expert character outside of the University, and to receive pay therefor, when it appears that the service cannot be readily obtained elsewhere. . . .

Most consulting seems to be openly done:

Faculty consulting is not discouraged. At times it is encouraged. It is out in the open.

Private consulting is not discussed openly to any significant extent. However, it is a relatively common practice, engaged in by a substantial portion of the faculty, particularly by the senior men, including the dean and the associate and assistant deans.

* Author's note: In the following text, reference is made to a number of sample comments. If the reader would like to obtain a much longer and detailed list of selected comments, grouped in twelve classifications, according to their nature, I shall be happy to send him such a list. Please send 24 cents in stamps to cover the mailing charge.

Usually only an informal understanding exists in regard to the amount of faculty consulting that one may undertake. Written policy may be present in some instances, while the general rule of thumb is that one day of the working week is available for consulting:

In business administration one day a week is informally understood to be a reasonable amount of time to devote to consulting.

Formal understanding: one day a week.

No formal or informal understanding.

The dean talks about one day a week being about as much as most faculty members can do without interfering with university duties. Several of the faculty members prefer to express this same notion by saying that university work should occupy four days a week.

There were almost no objections indicated against vacations being available for consulting:

Naturally, more time can be devoted to consulting work during vacation periods.

A couple of comments indicated occasional limitation on consulting according to the percentage of salary that could come from it:

My impression is that up to 15% of income goes without question. Dean likes to chat about more.

In a little over a third of the cases it was indicated that no superior could visibly authorize or not authorize a faculty member to consult if the faculty member desired to do so:

There may be individuals who keep their consulting activities out of reach of the administrative officer.

The only control I know of is that we are required to fill out a form whenever we are to be absent from class or town. My opinion, however, is that few faculty people use the form.

However, in a greater number of cases the dean was mentioned as a person with full or partial control:

Control is by the dean. He wants information on the amount that faculty members are paid. Ostensibly this is done to be sure that remuneration is not at a low level.

In a fewer number of cases the department head has these powers of control:

All faculty members are required to file with their departmental chairmen a list of all outside income producing activity.

Among others mentioned as wielders of formal or informal controlling powers were a board of control, a vice president for business affairs, a vice president of academic affairs, and the president.

Nature of the consulting engagement and request for permission to accept it must be sent through channels to the President's office. Approval is almost automatic unless it is clearly evident that the individual's vocation is consulting and his avocation is education.

One type of control seems to be fear of disapproval—possibly by one's peers as well as one's superiors.

Faculty members are expected to do consulting work only in their areas of specialization and deviations are not acceptable to the school administration.

Notice of consulting has certain disadvantages in terms of the reactions of colleagues not called upon to do the consulting.

In many cases it was noted that in the case of small jobs consuming little time, it was not necessary to report to any one, but that longer, more important jobs, and those particularly dealing with public relations, should be mentioned (with the implication of clearance) to higher-ups. Much of this communication seems to be left to faculty discretion:

Primarily as a matter of courtesy, I think that many faculty members would discuss with the dean any consulting arrangement that was of long duration or which brought the faculty member into a prominent public position.

Both written and verbal reporting methods are indicated to be in use.

At the beginning of the year each faculty member is asked to give an estimate of consulting work he will perform. If during the year he expands his work, he must clear this. Control is rather loose.

DEVELOPMENT OF FACULTY CONSULTING

In most cases the company comes to the faculty member directly:

For the most part what consulting is done comes from a company coming here with some problem and asking for help from some faculty members.

Occasionally the dean, other administrators, or friends will put the company in touch with the faculty member:

Department heads and dean actively solicit consulting work for faculty members. The extension divisions also make recommendations of faculty members for consulting to businesses.

Some passive, but little active, solicitation on the part of faculty members was noted. Apparently, it is difficult for faculty members to solicit consulting from the standpoints of time and professional ethics. Word-of-mouth and "getting a reputation" seem to be the greatest help to faculty members in gaining consulting. Reputation in many cases apparently comes from speaking, writing, and doing reputable jobs:

The more consulting work one does, and does well, the more work comes along. I would say that in most cases the company seeks out the faculty member, although it is possible for the faculty member to encourage this seeking.

Each is on his own. From speeches, papers, word-of-mouth—by his fruits they shall know him.

A majority of the respondents favored the aid of their institutions in promoting consulting, although the returns seemed to be evenly split as to whether this should

be active or passive aid. Most persons favoring such aid, whether it be active or passive, felt it should be carried out through the dean and his office:

It is the responsibility of administrators to make the qualifications of faculty members concerning consulting work known to various individuals and firms interested in having work done. Our dean does not do it.

Deans of course should build faculty members as authorities—then let the chips fall where they may.

Some felt that other administrative officers, up to the president, also should lend a hand:

Inquiries should be referred down the line, president to dean to department heads.

Nevertheless a substantial minority did not feel that the institution should become involved with the promotion, control, or further control of faculty consulting. Of the given reasons, the range was from a general one "not university philosophy" to a specific reason: "The dean would load us with petty problems."

I sincerely believe that consulting should be left to the initiative of the faculty.

I personally question whether the dean's office should do anything to secure consulting work for the faculty. The job of a dean is to promote the institution, not act as a sales agent for his faculty members.

One of the questions that has often been raised about faculty consulting is whether it aids instructional and research powers. Although some demurred in regard to its usefulness in aiding instruction (for example, "if it's the right kind"), a majority of the respondents indicated strongly, and sometimes in terms of personal experience, that consulting did help teaching:

Of course it helps in teaching, since it keeps one in touch with day-to-day problems in a practical way.

Chemistry, physics, pharmacy, medicine, engineering, and so forth have their special laboratories. The business world is ours.

However, in the great majority of cases it was indicated that consulting had little, if any, upward bearing on salary raises or promotions in rank:

Consulting is not particularly important—although it may be a minor factor—for salary increases and promotions.

Consulting is not enumerated as a criterion for salary increases and promotion, but I am convinced that indirectly it plays a part.

Indeed, a few indicated that consulting would exert downward pressure on salary, and on the concomitant rank:

Consulting probably prevents salary increases.

A high consulting income may be interpreted as indicating no need for a salary increase.

In many of the comments, the importance of research and publication were noted as the more important variables upon which salary raises and promotion in rank are

based. This was particularly true in the major institutions—even though honorable mention may at times be given to the importance of good instruction.*

Salary and rank increases are based on evidence of professional competence. Writing is generally better evidence than consulting.

Consulting, which seems to be more of a financial aid than a research threshold, has the connotation of usually digressing from that which becomes scholarly research and publication:

I would like generally for schools to get past the point where the stirring up of consulting business is used by deans to supplement low salaries. I would prefer to be sure that the dean will be interested in supporting research and providing adequate tools and aids for productive faculty members.

PRICING OF FACULTY CONSULTING

One of the interesting sidelights on the techniques of pricing faculty consulting is the undertone that there is a tendency to price too low. A number of comments were to the effect that "low" or "unprofessional" prices were to be discouraged:

Every once in a while some company or trade association comes to the university hoping to get high-grade consulting work at low rates. Unless there is clearly an element of public service involved, this should be discouraged.

It appears natural that most of us would charge more as we gain experience and as we gradually learn that we can charge more than formerly anticipated and still encounter no more resistance from various companies.

Faculty respondents generally indicated that prices charged by consulting firms are well above their own.⁴

Prices charged by consulting firms are considerably higher. I believe that they have learned that they can get more than we can get. Also they have much higher overhead expenses.

I believe I have tended to underprice my services in the past.

The usual pricing practice was indicated to be a daily rate, with an hourly rate coming in for secondary consideration:

Price is usually based on so much a day.

Several times the use of a retainer basis was mentioned. Some use is also made of job pricing:

Adjustments are made for continuing jobs or jobs where retainers are paid.

A few comments were to the effect that free consulting was often done—sometimes as a public service—and that honoraria are accepted in some cases too.

*For those interested in similar phenomena in the liberal arts schools, see Theodore Caplow and Reese J. McGee, *The Academic Marketplace*, Basic Books, Inc., New York, 1958, pp. 82-85.

⁴Further investigation of this point by the author seems to suggest that this may not be altogether true.

Some responses indicated that expenses were additionally charged for, particularly when travel away from home was necessary. More answered "yes" to the existence of a break-in period of low prices for the faculty consultant than answered "no":

Undoubtedly there is a break-in period during which lower prices would be accepted; but it is extremely indefinite as to duration, varying with each individual's ability.

Of those who commented on bargaining, more respondents suggested that bargaining was done—although in most cases not at much length—than that it was not done:

No formula used. It's a matter of bargaining among individuals.

Some bargaining is apparent.

We do not use a bargaining approach.

The consulting fee most mentioned was \$100 a day, sometimes mentioned as minimum and sometimes as a figure to which expenses are added. Responses indicated that the range for the experienced faculty consultant was from as little as \$25 a day to as much as \$500 per day, with noticeable skewing beyond the \$200 figure:

Most of the faculty operate on a minimum of \$100 per day, although some go to \$200 or \$300 per day.

Break-in rates might range from nothing up to the \$100 or so level with the \$25 to \$50 inter-range predominating:

Junior men might ask \$50 to \$100.

In hourly prices, the experienced faculty consultants concentrated on a range of \$11 to \$50, with some below and a few above. The mode appeared to be about \$25 an hour.

Roughly we charge: work in office or home—\$10 per hour or \$50 per day; work at client's plant—\$25 per hour or \$150 per day.

Break-in hourly prices were not much lower:

The rates might go down to \$5-\$10-\$15 per hour.

As for honoraria, these ranged from \$25 to "a few hundred dollars." The usual speech honorarium seemed to be somewhere between \$25 to \$50, although faculty people often received much more than this.

Pricing often depends more on the faculty member's idea of his minimum daily or hourly rate than on the kind of job he gets.

The rates relate to the caliber of the man rather than whether his duties momentarily are routine, supervisory, field work, and so forth.

On the other hand, most of those who responded on the variations in prices as they relate to the nature of the tasks, indicated that the nature of the work did cause price variations:

Routine work might carry a lower rate and supervision a higher rate.

The negotiations are set in accordance with the nature of the assignments.

However, it was sometimes emphasized that routine jobs were to be discouraged as "unprofessional":

Seems to me we shouldn't do routine work.

No routine work.

There is an absence of institutional policy that would extract from the faculty member any "cut" from consulting he got on his own and for which he used his own facilities:

No proportion goes to the university except on university contracts, which carry a fixed rate of overhead. Consulting is ordinarily done privately and does not involve university facilities.

In many cases it is even the practice to use institutional facilities and secretarial help at no charge to the faculty, although there are sometimes conditions stated for this free help which boil down to matters of discretion:

In some instances, where much of the secretary's time is used for consulting work, the faculty member will make arrangements to pay her. Except for excessive work, however, it is part of the secretary's job.

However, whenever the institution has direction on a job and the faculty member participates in it (usually at a lower rate of compensation than in non-institutional jobs), the institution gets a certain part of the price. The common practice seems to be the allocation of an overhead charge redounding to the benefit of the institution's revenue.

A 36% overcharge is made on official contracts through the university.

Some faculty consultants make sizeable amounts in fees each year:

Our men who work at it average between \$1,500 and \$5,000 per year in outside income, with a mode of \$3,600 a year.

COMPETITION OF FACULTY CONSULTING WITH THAT OF MANAGEMENT CONSULTING FIRMS

The results of this study show that faculty consulting prices are lower than those of management consulting firms—perhaps 1/2 or 1/3 less. It is felt by some that this is due to the higher fixed costs that the consulting firms have, although there is an undercurrent that these firms are simply able to get much higher prices. As far as importance of jobs goes, most of the responses indicated that faculty consulting was equal to that of the management consulting firms:

Most tasks are similar to those undertaken by reputable management consulting firms, for example, management training, job evaluation, attitude surveys, organization studies, and procedure manuals.

A few thought faculty personnel did more important jobs; more thought the opposite. Perhaps as a corollary to the feeling on importance of jobs, most faculty

opinion agreed that faculty consulting was as comprehensive as that of the management consulting firms.

We have had no problems and see no difference on any of the points raised between performances of faculty and the management consulting firms, except that faculty prices are lower.

Curiously enough a conflict in views arose in that some faculty members considered faculty consulting to be more of a specialty type of work than that of the consulting firms while others thought it was more general in nature:

In general, the consulting firms tend to specialize more.

We are available to serve specialized needs, not to conduct broad over-all investigations.

In regard to quality of results, a significant number of responses indicated that faculty think that faculty people do better jobs than management consulting firms. Most, however, consider the results equivalent. Only a scattering indicated that faculty performance was worse.

Our marketing research bureau, run privately by the head of the marketing department, will rank with any professional firm.

The quality of work should compare favorably and the cost to business firms should be somewhat less.

The faculty consultant probably will be more careful and thorough in his investigation and analysis.

There are some faculty members who have the competence and skill to do a fine job of consulting, and there are many others who, although they may have knowledge, do not have insight, synthesizing ability, or even analytical competence.

Although some faculty members took a somewhat dim view of the ability of faculty consulting to reach completion or meet time pressure deadlines, most comments were to the effect that faculty consulting was no worse and no better than management consulting firms in these characteristics:

Assurance of completion of faculty consulting tasks usually is satisfactory, although perhaps in some instances lacking; same is true for meeting time pressure.

One type of comment noted that faculty people may tend to select jobs which do not put them under unrealistic completion goals:

The faculty member will avoid private consulting jobs with short and inflexible deadlines.

A number of comments showed that faculty members are sometimes part-time members of established private management consulting firms. Also, some have been full-time members at one time or another:

In my own case, my consulting work for a number of years has been as a member of the staff of a well known consulting firm, with which I spend one day per week.

Having worked for a private concern full-time, I strongly believe that any faculty competition should be at the same price—and choice then made on competence.

CONCLUSIONS

Faculty, as represented by Academy of Management members, are keenly interested in, and highly motivated toward, part-time consulting work. This work generally enriches both their teaching skills and their incomes, although it may have little effect on increases in their salaries or ranks.

Although control of the amounts and types of consulting which faculty do is usually supposed to be a matter of administrative policy, in actuality most faculty control themselves and would like to keep it that way. Many want administrators to keep hands off. In fact, most would like to see some administrative *help* in getting more consulting, particularly since self-promotion is not in good taste.

As far as prices go, except for beginners, it is a matter of fact that, in their outside work, faculty tend to rank the value of their services with that of medical doctors, good dentists, and successful lawyers and, indeed, have the approval of the market in doing so. The unfavorable comparison of the rate of regular faculty salaries to the rate of their outside fees thus bears a touch of irony.

Although the amounts of consulting that faculty members do vary from none at all to a great deal, according to their qualifications, desires, contacts, reputations, and locations, it is not unusual for a consulting faculty member to add \$2,000 a year or more to his regular income by means of fees charged for consulting services rendered. Yet it seems clear that most faculty members must look to their regular salaries as their primary source of income.

Although it cannot be said that consulting faculty members are highly competitive to management consulting firms, it may be that, as their availability and abilities become better known to business firms, they may become a much more important competitive force in the market for professional business doctoring. Perhaps the greatest competitive weakness of consulting carried on by the faculty expert is the very part-time nature of his consulting work.

Management Education in European Countries

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Management education in some of the Western European countries faces a twofold challenge: first, to establish social acceptance of the study of management, and, second, to carry this acceptance into formalized institutions of learning, into professional associations, and into enterprise organizations themselves. Even under conditions of rapid industrial expansion and concerted foreign industrial aid, this is a formidable task.

In the countries which this review attempts to cover—France, Belgium, Holland, Denmark, Sweden, and Norway—management education is geared to large audiences which are increasing not only in numbers but also in terms of levels, both social and industrial. Pressure is acute to develop a sufficient number of managers to staff the growing industrial organizations and pressure is also acute to develop managers who can understand and comprehend the interdependent nature of industrial life. Such a broadening of managerial vision is necessary to weld together the increasingly complex socio-economic factors of modern enterprise.

The variety of approaches to the subject of management education for circumventing blocked avenues to formal education is impressive. Universities, management institutes and associations, productivity centers, employer groups, private management consulting companies, and trade union associations are some of the agencies giving active support to the study of management and the development of managers. One must add to these the work of the International Committee for Scientific Management and the European Productivity Agency, two groups which have initiated much of the current and continuing interest in management education.

With so many participants, the area of interest and the approach to executive development may appear to be diffused and confusing, perhaps even conflicting. The answer is obvious. The need for management study in Western Europe is so urgent and so widely recognized that activity must be started: approaches must be laid out according to country, area, and industry requirements. There will be time enough later for refinement, for consolidation, for elimination of overlap and duplication. Pressure for management development is indeed too urgent to respect the niceties of leisurely programming.

Selecting a starting point for evaluating the status of management development in these countries poses difficulties for an observer. The many educational directions that are being taken range from training programs in highly specialized practices,

such as motion and time study, work simplification, and process flows, to broad evaluation of Common Market impact on the economics of individual industries and on national productivity. It is characteristic of all of the programs that they are designed to meet an existing need or to extend the perimeters of management knowledge required by the totality of the expanding industrial environment. Since the task of evaluation is complicated by a lack of evenness in scope and penetration, where may one start?

One way, and the approach adopted here, is to select individual programs for examination of content and scope. This is not random selection, but rather a selection of representative programs, one each from the various types of agencies participating in these programs in these countries. From this examination it may be possible to gather characteristics that have more general application.

UNIVERSITY ACTIVITIES AT GHENT, BELGIUM

Turning to university effort, the approach of the State University of Ghent (*Rijksuniversiteit te Gent, Seminarie voor Productiviteitsstudie en Onderzoek*) focuses on three aspects: productivity research, industrial management, and executive development. The programs of the Center at Ghent are reviewed and evaluated by a tripartite advisory committee consisting of leading industrialists of the Flemish business community, trade-union representatives, and faculty personnel. Professor A. J. Vlerick, School of Engineering, is Director of the Center.

The Center's general program, approved in 1954, establishes a documentary library, where faculty, students, and local businessmen may find literature and case analyses on modern management problems, procedures, and methods. Free courses—offered apart from the regular engineering curricula—are available to students and young engineering graduates. Leadership of these free courses is provided by engineering faculty whose interests lie primarily in industrial management and by university alumni holding responsible management positions in the Ghent area.

Another phase of the general program utilizes the idea of "circuit schemes," whereby managers and owners of small and medium-sized enterprises meet as a group to exchange experiences. Organized under the regional decentralization program of the Belgium Productivity Center at Brussels, these groups have as their objective the dissemination of effective business techniques based on actual company experience. After formal cases have been analyzed, a general exchange of experience and opinions on specific problems takes place.

The main accent of the Ghent Center's program revolves upon the executive development seminars for top-managers. These seminars, of six months' duration, include two residential weeks both at the beginning and at the end, with week-end meetings held every fortnight. On the intervening weeks an industrial company is visited, where a specific problem related to the previous week-end subject is discussed. Enrollment in the executive development seminars is limited to 20 to 25

persons, while the introductory evening lectures—which usually consider an area of current managerial interest—are open to a larger number.

A typical seminar program for engineers interested in industrial management (the "free" type of courses mentioned above) includes such topics as: the role and function of the modern enterprise; survey of commercial functions; principles of production management; plant layout and materials handling; motion and time study, work simplification, and production control; quantitative analysis of production problems; internal administration, including cost control, accounting, data processing, financial management, and personnel administration; and productivity and national prosperity.

The executive development program reaches out into the area of general management. Market research, distribution analysis, product planning, industrial psychology, political and economic monetary policy, financial management, and industrial leadership in the socio-economic environment have been some of the recently scheduled areas of study.

AN INDEPENDENT ORGANIZATION—"NIVE"

The Netherlands Institute of Management (Nederlands Instituut voor Efficiency), located at the Hague, serves as a central clearing house for management education. While there are many other independent organizations and foundations working in the field of management—as, for example, professional groups for standardization, documentation, inter-firm comparison, variety reduction, quality control, and industrial psychology—NIVE's membership includes over 2,000 corporate members and 1,000 individual members. The listing of corporate memberships includes all companies with more than 2000 employees, 60 per cent of all companies with 500 to 2000 employees, and 30 per cent of all companies with 200 to 500 employees. Moreover, the advisory board of NIVE includes representation from the major professional management societies and it is, in turn, frequently represented on the councils of these other societies.

The Netherlands Institute of Management is a private, non-profit association established in 1925 by a number of private industries, public administrations, and individuals with the aim of assisting each other through study and interchange of experiences in attaining a higher efficiency and productivity within their organizations and promoting the principles of scientific management on a national basis, thereby contributing to the creation of a sound economy. Through a system of central and regional departments and through four specialist sub-associations,¹ many libraries, information services, periodical publications, and educational courses have

¹ STUMOKA—Study Center for Efficiency in Clerical Operations
VOA—Association for the Development of Motion-Time Study
NVC—Netherlands Packaging Center
NEVIE—Netherlands Association for Efficiency in Purchasing

been established at the Hague and in the major industrial centers of The Netherlands.

Educational courses and seminars, divided by level of management,² reach about 3,000 participants annually. In the top- to middle-management levels, substantive course materials stress principles of management, production organization, administrative organization and methods, human relations, public relations, and variety reduction. For the supervisory levels, course accent is on industrial engineering, ratio-delay techniques, packaging, materials handling, purchasing, work physiology, job analysis, accident prevention, and maintenance. Two subjects, principles of management and human relations, are offered to practically all levels.

In addition to the activities of the four sub-associations, each of which is engaged in formal training, discussion and publication of its area of specialization, analysis of NIVE's organization structure shows twelve regional departments, which, through regular regional meetings, disseminate current managerial thinking and practice. In each region, small "contact groups" create an opportunity for exchange of practical experience on specific problems. Such "contact groups" are not permanently structured, but are called into being through company member interest.

The oldest form of member participation in NIVE is the formal study group. Five such groups are now organized for discussion and exchange of experiences. Specific study includes budgeting, packaging, profit sharing, education for management, and automation. Temporary, or *ad hoc*, study committees may be formed—again at company member request—to discuss and analyze a specific subject in detail. Findings are released in the form of a report and/or a presentation to the general membership through the channels set up by the regional departments.

MANAGEMENT EDUCATION IN DENMARK

In the Scandinavian countries, there is close similarity between the objectives and programs of four groups whose attention is either management-focused directly in terms of membership, subject, and technique or whose attention is only in part management-oriented, that is, the education and development of managers: employer associations, civil engineering societies, productivity centers, and universities. Of these, two in Denmark, the Institution of Danish Civil Engineers and the Danish Employers' Confederation, have well-developed and expanding programs.³

*There are nine levels: (1) top management of large enterprises, (2) top management of middle-sized enterprises, (3) top management of small enterprises, (4) higher executive management of large and middle-sized enterprises, (5) middle management of large and middle-sized enterprises, (6) supervision, (7) charge-hands, (8) staff specialists, and (9) training officers.

*These are examples only. The Swedes, in particular, have done some excellent work in the area of management education.

The Danish Civil Engineers (D. I. F.)

The Institution of Danish Civil Engineers (Dansk Ingeniørforening—D. I. F. for short) established a course, Problems of Business Management, several years ago. Interest in this pilot course led D. I. F. to refine its initial program and to institute two business management courses: one geared to top-managers and their "crown princes", as D. I. F. terms them, and one to junior managers, largely young engineers with limited industrial experience. The Institution is in a unique position to contact these levels—approximately 90 percent of the total number of civil, electrical, mechanical, and chemical engineers graduated from the Technical University of Denmark are members of D. I. F. The Institute believes that technical training does not provide a sufficient basis for the understanding of enterprise relations and it emphasizes the need for collaboration between enterprise activity and society. Neither, does it feel, is the accelerating technical development sufficiently reflected in engineering and management standards, both of which must keep abreast of the expanding technology.

D. I. F.'s top-management program, limited to 15-20 participants, revolves around the industrial manager and his daily activities. Psychology, organization, economics, economic evaluation, management accounting, and technical management comprise the core approach. Areas of a trade-legislative nature are not included.

In the "psychological-organizational" course area, symposia and case discussions consider problems of interpersonal relations, selection and training of key personnel, personnel administration, delegation, communications, organization structuring, committee management, and committee organization.

The economic focus of D. I. F.'s program is divided in two aspects: economics external to the individual company and internal economics. In the first, problems of financing industrial investments, expansion, and diversification are considered. This includes an explanation of the relations between private banks and the industrial community, assessment of taxes, obsolescence, depreciation, and impact of the rate of technological change on capital investments. The internal focus, consisting of economic evaluation and management accounting, is built around controlling long- and short-term financial investments and planning through the use of budgets and accounting methods.

The technical management area of this top management program draws together the other areas as they affect industrial and productivity research, methods of work study, subcontracting, methods planning, short- and long-term planning, plant maintenance, and industrial health and safety.

In addition to the above, the top management program includes a discussion of industry and society—the company as a way of living for the employees. Discussion leaders for this area come from industry, from the university, and from those members who have had experience abroad.

The junior management course, lasting for 180 hours over a period of two years, is in the nature of post-graduate work. It attempts to explain the multiple aspects of enterprise life to the young technical graduate. Here, again, course

membership is restricted to twenty persons, accepted on recommendation of the employing company. The twelve introductory topics may be broadly grouped into five categories:

1. Organization of the Enterprise: principles of organization, administrative management, control, costing, organization structuring, decentralization, import-export, and branch organization.
2. Human Relations and Applied Psychology: committee techniques, personnel administration, supervision, training, communications, wage incentives, work councils, union contracts, and arbitration.
3. Industrial Engineering: methods and work study, operations researching, materials handling, statistical quality control, research and development, plant maintenance, industrial health and safety, and management reporting.
4. General and Technical Administration: public policy (national, local, and county), business and commercial law, monetary policy, taxation policy, long- and short-term planning, investment, depreciation, insurance, credit, public relations, and problems of industry and society.
5. Marketing and Commerce: marketing and distribution organizations, packaging, exporting, fiscal statements, budgeting, accounting, costing, and economic evaluations.

The Danish Employers' Confederation

In contrast to the approach of D. I. F., the Danish Employers' Confederation (*Dansk arbejdsgiverforening*) concentrates on creating social acceptance of management—in part, a public relations program—and on studying the climate of industry as it is affected by governmental actions, trade unions, the press, and other social groups. Typical of the questions to which the Confederation addresses itself are:

What is the attitude of the public towards the Confederation and its policies?

How do collective wage agreements influence the economic and social policy of the government, and how does the government's policy influence the activity of industry?

What kinds of demands do the employers make on the industrial and cultural education of youth?

What will be the effects on employment and social conditions of the growing mechanization and automation of industry?

Does the structure and organization of the labor market in all respects support the growth of industrial production and employment?

To meet their objectives, the Confederation has developed four major programs, which are presented as formal courses and conferences. The first program deals with labor market problems—conditions of work, wages, employment, social

legislation, and collective bargaining. Officers of branch associations and local divisions of the Confederation are candidates for course membership. They, in turn, carry the results and findings of the discussions to their respective groups.

The second program is geared to industrial employers' needs in the area of human relations and personnel administration. Unlike the first program, contact is not through the branch associations of the Confederation and discussion of the conditions of the Danish labor market is only incidental. Indeed, the courses in this second program are more advanced and specialized with respect to specific functions of staff management.

The focus of the Confederation's third program is public and community relations as a means of furthering mutual understanding between employers as a social group and the other social groups that participate in the national economy. Contact, or discussion, meetings are arranged from time to time with representatives from trade unions, political parties, the daily and periodic press, and public and private educational groups.

The fourth and last program is designed for junior executives and employers who want to broaden their views on modern managerial techniques within their enterprises. To achieve this, eight-week management seminars have been developed in collaboration with the Federation of Danish Industries. (Industrirådet) Subject matter coverage of these seminars is broad, including not only techniques but also other areas such as organization, administration, planning, marketing, and product development. Similar courses of shorter duration have been organized for small and medium-sized industries in collaboration with the Federation of Danish Handicraft.

EVALUATION

From this brief review of four organizations which participate in management education in Western Europe, several observations may be summarized:

The speed of the movement for management education is intense, and it is accelerating quickly. The need for managers is urgent. Major emphasis now is to retrain present employees and to requalify them in terms of knowledge and skills.

The movement has been taken up by many groups of substantially different character. By their very nature, these groups do not overlap: combining and unifying of goals and effort is not apparent.

The need to catch up brings with it a focus on methods and techniques. This tends to compartmentalize and segment the approach to basic management education. Taylorism is stressed.

But there are other factors in the current scene which have more subtle impact. Indeed, they present problems of considerable magnitude. Some of these are the matter of membership participation, the university status of formal management study, the demands that industrial expansion makes upon managers for acquiring

vision and breadth of perspective, and the basic social acceptance of management, not only as a formal discipline, but as a way of living: there is an urgent need for the development of an integrated philosophy of management.

Increasingly, a broader base of managerial levels is being brought into the various management courses. While admission to certain courses is reserved for "crown princes," lower middle-management and even supervisory personnel attend a great variety of courses—courses which, it should be noted, tend to depart from the strictly technique-oriented approach.

Functional specialties demand more information of a general management nature. Already some breakthrough can be noted. Whether on a planned basis or on the basis of sheer industrial necessity, this fusion of concern for both specialized and over-all management know-how will be accelerated. On the university level and in engineering societies, the study of managerial economics, sociology, psychology, and cultural anthropology is on an integrated, interdisciplinary approach basis, inasmuch as these fields lend knowledge to the understanding of organization, marketing, distribution, and human relations.

Management education and executive development in the northern European countries is seeking social acceptance—in the community, the nation and in the complex of nations. The reflected image of enterprise concerns all who place cultural fulfillment in the context of industrial society. It is inevitable that this in turn means change—changes in social structuring, changes in the opportunities for learning, and changes in personal and group relations, personal status, and personal advancement.

The programs now in practice implicitly recognize this. The shift in focus from technique-oriented training to a synthesized enterprise focus requires—as we have found here in the United States—inventiveness, new vision, and, above all, sufficient time for planning and re-evaluation. In the Western European countries one finds vigor and a creative approach to the various management training programs. What seems to be needed now is consolidation of experience and program, a broadened base of participation, and an integration of the business knowledge and enterprise information that is required by any manager.

A New Name for Management Scholars

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In response to the cogent thoughts expressed by Keith Davis in his article, "A Management Teacher by Any Other Name . . .," published in the December, 1959 issue of *The Journal of The Academy of Management*, the following name is submitted for the teacher who specializes in management:

managementor

By pronouncing the word as *manage-mentor*, it is immediately clear that there are actually two key words involved, both of which are descriptive and of credit to persons engaged in scholarly activity in the field of management on a professional basis.

Without belaboring the definition and implications of the word *manage*, let us turn directly to the word *mentor*. It is defined in the American College Dictionary (1953) as follows:

a wise and trusted counselor

Webster's New International Dictionary (1954) lists three meanings for the word *mentor*:

1. [cap.] A friend to whom Odysseus, when setting out for Troy, intrusted the care of his house and the education of Telemachus.
2. Hence, a wise and faithful counselor or monitor.
3. Loosely, a teacher or instructor.

Certainly it is the goal of the professional management teacher to act in the role of a wise and trusted counselor, whether teaching or practicing in the management field. The name *managementor* is accurate, descriptive, and meaningful. It carries a high-order suggestion of prestige, either written or spoken. I should like to recommend its use when referring to the expert teacher in the field of management who may at the same time be a competent management consultant.

J.A.

Academy of Management

News and Notes

SPECIAL ANNOUNCEMENT

The Academy of Management is pleased to announce its program of research grants for 1960 being undertaken with the co-operation and support of the American Management Association. The Research and Publications Committee invites the submission of management research projects in accordance with the following information:

(1) Project proposals may be submitted to the Academy by any full-time faculty member of a Department, School, or College of Business Administration or of a department in fields related to management. Applicants need not be members of the Academy.

(2) The Research and Publications Committee of the Academy will examine all proposals received and recommend to the A.M.A. the proposals which most merit support. The A.M.A. will then grant funds in support of projects which will be selected by the A.M.A. from those recommended. The total of these awards is expected to be approximately \$5,000.

(3) A proposal should state the specific nature of the research work being undertaken, explain why it is needed, relate the proposed work to previous work in the same area, and specify the nature of the results which are expected. Proposals should include an estimate of expenses, together with suitable explanation, an approximate time budget, and the estimated date of completion.

(4) Letters of recommendation are not necessary, but a letter of endorsement by the applicant's department head, indicating the applicant's general capacity to complete his project and the amount and nature of departmental support, should accompany each proposal.

(5) The proposed research may center on any aspect of the processes of management, organization, or administration. Studies dealing directly with specialized functional areas or with management techniques and procedures are not excluded from consideration, provided their potential findings have important implications for the general field of management.

(6) Proposals will be evaluated by the Committee in accordance with the following general criteria:

- (a) Significance of the project's potential contribution to knowledge of the management process.
- (b) Adequacy of the research methods to be employed by the researcher.
- (c) Ability of the researcher to carry the project to completion within the designated time.

(7) Neither the Academy nor the A.M.A. wishes to impose any limits on the objects of expenditure involved in the projects selected for aid by A.M.A. grants. Funds at present are limited and they will not be sufficient to cover salary items for researchers or their assistants. While large-scale projects will not be automatically excluded by the Academy for recommendation to the A.M.A., it is contemplated that projects in the early stages of this program should be designed on a relatively modest scale.

(8) The A.M.A. will have the first opportunity to publish the results of research conducted with the help of A.M.A. grants. The research author will have the final decision on the content of any publication by the Association in this connection. If the A.M.A. does not wish to publish the research material, the research author may publish it in any other source he chooses, with the sole provision that the A.M.A. retains the right to insist, if it so desires, on withdrawal of any reference by the author to the A.M.A.'s connection with the project.

(9) Proposals for consideration in 1960 must be received by May 15, 1960. They should be sent to:

PRESTON P. LeBRETON, Chairman
Research and Publications Committee
Academy of Management
c/o Department of Management and Marketing
College of Commerce
Louisiana State University
Baton Rouge 3, Louisiana

The members of the Academy's Board of Governors have voted as follows on the matters currently before the Academy:

Proposition Number 1

- To change the annual dues.
For \$10 annual dues — 2 votes
For \$ 7 annual dues — 3 votes
For \$ 5 annual dues — 1 vote (\$7 second choice)

These results are interpreted as a majority vote for \$7 annual dues. The secretary-treasurer is asked to bill members (first class mail) for 1960 dues at the \$7 rate.

Proposition Number 2

- To approve and support the establishment of a West Coast chapter.
- | | |
|--|-----------|
| (a) For the West Coast chapter | — 6 votes |
| Opposed to the West Coast chapter | — 0 votes |
| (b) For \$100 contribution to the West Coast chapter | — 5 votes |
| Opposed to contribution | — 1 vote |

Professor Harold Koontz has been notified that his proposal for the establishment of a Chapter of the Academy has been approved. *Until the Academy is able*

to amend its Constitution, this affiliation is an informal arrangement. Members of the Board are invited to submit suggestions for the formal plan of organization for the new division. It has already been suggested that the President of a regional chapter should automatically become a regional vice-president and/or a member of the Board of Governors of the Academy. A policy regarding the establishment of other chapters should also be considered.

Proposition Number 3

To allocate \$1,000 for the publication of the Journal in 1960.

For allocation	— 5 votes
Opposed to allocation	— 1 vote

The Western Chapter of the Academy of Management is planning its first annual conference at the Ambassador Hotel in Los Angeles on May 20 and 21, 1960. The program is composed of four panel discussion groups and two featured speakers.

The panels are as follows:

MANAGEMENT RESEARCH

Chairman: George Stiner, UCLA
 Panelists: Keith Davis, Arizona State
 Austin Grimshaw, Washington
 William Wolfe, USC

BEHAVIORAL SCIENCES AND MANAGEMENT

Chairman: Robert Goodell, USC
 Panelists: Mason Haire, UC
 Wilmar Bernthal, Colorado

QUANTITATIVE APPROACH TO MANAGEMENT

Chairman: Al Schrieber, Washington
 Panelists: C. West Churchman, UC
 Dave Novick, Rand Corporation
 James Jackson, UCLA

THE SPECIAL CASE OF MANAGEMENT—FORD AND CARNEGIE REPORTS

Chairman: Harold Koontz, UCLA
 Panelists: Scott Walton, Oregon
 Clinton Oaks, Brigham Young
 Carleton Pederson, Stanford

Professor Joseph W. Towle, President of the Academy of Management, will be the featured luncheon speaker on Saturday, May 21.

The Third Annual Midwest Management Faculty Conference will be held on May 6 and 7 at Wayne State University. Registration will be held from 12:00 to 1:45 p.m. on Friday, May 6 at the McGregor Memorial Building, 495 Farry (corner of Farry and Second). For additional conference information, contact

Dr. Bruce E. DeSpelder, Program Chairman, School of Business Administration, Department of Management, Wayne State University, Detroit 2, Michigan. (Telephone: TEMple 3-1400, extension 487 or 488.)

Graduate students and Ford Foundation professors were addressed at Indiana University last summer by Professor Ralph C. Davis of The Ohio State University on the subject, "The Practical Significance of a Philosophy of Management." On August 23, 1959 Professor Davis delivered the Backmeyer Memorial Lecture at the annual dinner of the College of Hospital Administration at the Waldorf-Astoria Hotel in New York City.

Associate Professor William E. Schlender, of The Ohio State University, assumed duties as Assistant Dean of the College of Commerce on a part-time basis beginning October 1, 1959.

Professor William G. Scott, formerly of Georgia State College, transferred to DePaul University.

Professor Dale A. Henning, of the University of Washington, has served for the past several months reviewing and appraising manuscripts as a member of the Academy's Research and Publications Committee. He replaced Professor Franklin G. Moore, who is working overseas with the EPA for one year. The newly appointed members of the Research and Publications Committee for 1960 are listed on the title page of this issue.

Professor Michael J. Jucius, of The Ohio State University, returned to the University last summer after a six-months' stay in Europe. While in Europe, he served on the staff of the Institute for Advanced Studies at Turin, Italy. Later he toured the Continent and the British Isles with his family.

Professor Joseph C. Schabacker assumed the position of Chairman of the Department of Commerce in the Extension Division of the University of Wisconsin last July. Professor Schabacker had been at UCLA for some ten years and reports that he is finding the Midwest an interesting place in which to live and work.

Unable to attend the Academy of Management meetings in Washington, D. C. because his airplane reservations for both December 28 and 29 had been cancelled, Professor Billy Goetz, of the Massachusetts Institute of Technology, decided instead to spend a winter vacation in the Virgin Islands.

William R. Campbell, formerly of Indiana University, joined the staff of the Department of Management, Arizona State University, last fall.

Mr. Harvey Maerten, on the staff of Northwestern University since 1954, is leaving this year to join the Toledo University staff.

Professor Emeritus Charles L. Jamison, of the University of Michigan, is a visiting professor at the University of Minnesota during the spring term of 1960. He is teaching business policy.

It's true—Professor John F. Mee, Indiana University Management Department Chairman and former President of the Academy of Management, received his Ph.D. degree from The Ohio State University last June!

Plans are being made by Professor Richard K. Gaumnitz of the University of Minnesota to conduct a European Management Seminar in Stockholm during the coming summer.

Dr. Keith Davis, of Arizona State University, attended a special western conference on business education at Stanford University in February. The purpose of this conference was to discuss the Gordon and Pierson reports.

Professor Richard N. Owens, of George Washington University, is retiring in June, 1960. He will teach a combination of management and accounting at Los Angeles State College beginning in September, 1960.

Theodore Haimann, of St. Louis University, will be promoted to Associate Professor effective September 1, 1960.

Professor William J. Jaffe, of the Newark College of Engineering, was elected 1960 Chairman of the Wallace Clark Award Board for International Management. He will deliver a paper, "Managing the Professional Employee," at ASME's annual summer meeting at the Hilton Hotel in Dallas, Texas on June 7, 1960.

The Industrial Engineering Department of the University of Michigan has secured its own digital computer. It is an LGP-30 and is for departmental use. The department is now offering an undergraduate course in Business Games which will be scored by the new computer.

Professor James L. Rigassio, of the Newark College of Engineering, who represents ASME on the SAM-ASME Annual Management Engineering Conference, will chair the session on indirect labor on Friday, April 8, 1960 at the Statler-Hilton in New York.

Professor Otis Lipstreu of the University of Colorado is currently serving as Acting Director of Development for the University of Colorado.

Professor Wyeth Allen, of the University of Michigan, is going to Japan in May, 1960 in connection with the contract between the University of Michigan and Waseda University relative to the establishment and operation of an institute for research and productivity.

Professor Thomas S. Isaack, of West Virginia University, has been accepted as a participant in the Faculty Seminar in New Developments in Business Adminis-

tration. The seminar is to be held at Cornell University in August, 1960. This program is being sponsored jointly by the Ford Foundation and Carnegie Institute of Technology.

Kenneth W. Olm, Assistant Professor of Management, University of Texas, will attend the Summer Case Study Seminar at the Harvard Graduate School of Business this summer.

Professor William Fox, of the University of Florida, will attend the Faculty Seminar in New Developments in Business Administration on the Cornell campus during August.

Professor Wayne L. McNaughton, of the University of California, is acting as Assistant Dean for Graduate Students in the School of Business Administration this semester.

Joseph Gill, University of Arizona, will conduct the Management Development Program for the medical personnel of New York hospitals. He has just completed a similar program for the Veterans Administration in Tucson, Arizona.

A paper called "The *Raison d'Etre* of Administrative Science," by Professor Rocco Carzo, Jr., was submitted to the Comité International de l'organisation Scientifique's Prize Paper Competition on the occasion of the XII CIOS World Congress. Professor Carzo's paper was selected as runner-up and placed as one of the six best of all entries received from 29 participating nations with a total of 120 entries.

Dr. Karl E. Leib has been a Distinguished Visiting Professor for the past two terms at Southern Illinois University. Formerly a Visiting Professor at the University of Illinois (1958), Dr. Leib retired from the State University of Iowa in 1957 after 28 years of service, the last seven of these as Chairman of the Department of Labor and Management. Dr. Leib will continue to serve on the Management Department staff at SIU for the coming year.

William J. Arnold continues to serve on the staff of *Business Week* as their Management Editor. For those Academy members who do not regularly read *Business Week*, Mr. Arnold reports that he recently broke the news of the Comité International de l'organisation Scientifique's (CIOS) 13th Congress meeting in New York in September, 1963 and hopes that this will be of interest to readers even at this early date.

The Northeastern Life Insurance Company of New York has announced that E. H. van Delden was recently elected to the Executive Committee. He has been a director of the company since 1956.

Professor Huxley Madeheim, of City College of New York, was promoted from Associate Professor to Professor, effective January 1, 1960.

On March 11 and 12, 1960 a Midwest regional conference, sponsored by the Ford Foundation, was held at Michigan State University for the purpose of discussing the Gordon and Pierson reports.

Franklin E. Folts, Professor of Industrial Management at the Harvard Graduate School of Business Administration, became Professor Emeritus last June. This seems, however, to have had little effect on the nature and scope of his activities. Currently he is busy part-time with Harvard's Doctoral Program, is a consultant to the Boston University School of Business Administration, is director of the Breech School of Business Administration at Drury College, and is serving the University of Western Ontario's School of Business Administration as Consultant on its Doctoral Program. These activities, coupled with the consulting work he has long been doing for businesses such as General Electric Company and the Schering Corporation, keep Frank reasonably busy.

Professor Richard F. Ericson has recently been named Professor of Business Administration at George Washington University.

A letter from Andrew R. Towl, Director of Case Development, Graduate School of Business Administration, Harvard University, states: "Much is being written currently about the potential contributions of common interest which may come from the interaction of social scientists and business administrators. The lack of communication, however, was brought dramatically to my attention last fall when a well-known behavioral scientist expressed his surprise to learn that there already was an Intercollegiate Case Clearing House. Your readers might also be interested to know of the availability of this service . . . the Intercollegiate Bibliography of New Cases in Business Administration . . . just off the press. The Bibliographies, Volumes I through IV, and sample cases are currently available free of charge, thanks to the financial underwriting of the Ford Foundation. These may be obtained by writing to Assisting Dean Harvey P. Bishop, Director, Intercollegiate Case Clearing House, Soldiers Field, Boston 63, Massachusetts. Eventually the Clearing House should become self-supporting by quantity sales of cases for classroom use. The reactions of readers will be of tremendous value to the authors of individual cases. Perhaps by some cross-fertilization we may find better ways of integrating the contributions of social scientists and administrators . . . "

The following Academy of Management members report address changes:

- Professor N. P. Loomba from the University of Wichita to the University of Iowa.
Professor Paul Donham from Harvard University to Boston University.
Stephen J. Barres from the University of Nevada to the University of San Diego.
Professor M. C. Schnoor, Jr. from Eastern Michigan College to Wayne State University.
Professor Charles Soltis from Michigan State University to Kent State University.
Professor Ed Barnet from Northwestern University to Michigan State University.

Members may be interested to know that a new publication called *Engineering and Technical Conventions* has been announced by Deutsch & Shea, Inc., 230 West 41st Street, New York 36, New York. This is prepared annually and lists the national, regional, and state meetings of more than 100 engineering and scientific organizations. Each entry gives meeting dates, location, title of meeting, and name of sponsoring organization(s). The appendix lists addresses for all societies whose activities are included and three indexes serve to cross-reference meetings by organization, field of engineering, and geographic location. Advance information through 1964 is also included. This publication is available from the Industrial Relations News, 230 West 41st Street, New York 36, New York at \$4 per copy.

The Fund for Adult Education recently established awards of \$1,000 each for the three best speeches or articles on public leadership. The prize-winning articles will eventually be published in a single volume either by the Fund or commercially. "Leadership," for purposes of the awards, encompasses the whole range of positions in which executive decisions and executive actions have public consequences. It, however, excludes from consideration leadership whose force is primarily intellectual, spiritual, or artistic.

The College of Business Administration, Arizona State University, in co-operation with the Department of Management, has recently started a unique evening executive program in "Great Books in Management." The Great Books Program lasts one year, covering one book each month. Each executive receives a copy of this book. At an appointed time, a group of about twenty meet together for dinner and a guided discussion of the book under the leadership of an Arizona State University professor. The program is quite different from a book review in which a group of *listeners* are *told* about a book.

Books in this program have been limited to important management books of the last decade, such as: *Management in the World Today*, by Frederick Harbison and Charles A. Myers (New York, McGraw-Hill Book Company, 1959) and *The Practice of Management*, by Peter F. Drucker (New York, Harper and Brothers, 1954).

Top executives in Arizona are attending the program. The unique nature of the program has also attracted regional interest. Major benefits of the program may be summarized as follows:

1. A means of executive self-appraisal and self-development in management.
2. A broadened outlook and understanding for each executive.
3. Introduction to, or review of, the best current management ideas.
4. Depth study and discussion, rather than shallow overviews.
5. An opportunity to make constructive use of leisure reading time.

Clark E. Myers has furnished the JOURNAL with a description of IMEDE's international program in Business Administration for Middle Management Executives:

"In mid-September, 1957, at the beautiful Bellerive estate on the shores of Lake Geneva in Lausanne, Switzerland, a group of middle management executives from

all over the world began an eight-and-a-half-month course in business administration. . . . Patterned after the Middle Management Program of the Harvard Graduate School of Business Administration, the program is designed primarily for men whose average age is about thirty-five and who fall within the age range of thirty to forty.

Based on the Harvard experience, from which background nearly all the professors are drawn, the case method is used almost exclusively. . . . Texts are used for background reading and preparation in each area. . . . The division of work is roughly one-third to the quantitative areas of control and finance (which includes such work as statistics, accounting, index numbers, budgeting and data processing); one-third in the area of distribution (including retailing, marketing, sales management, and international trade); one-sixth in the areas of production, factory management, general management, and business policy; and one-sixth in the areas of human relations, personnel, and labor problems. . . . The six professors work in teams of two, teaching either Monday, Tuesday, and Wednesday or Thursday, Friday, and Saturday. The other days they are free to travel on case research.

Study Groups: The students are divided into study groups of six each. Each man serves as chairman of his group for one week. Every six weeks the small study groups are rotated so that by the completion of the program nearly every student will have studied with every one in the class. Several variables are taken into consideration in the composition of the small groups. In each group at least one and usually two men are included whose native language is English. (All materials are in English and all classroom work is in English.) Beyond this requirement the best possible distribution of nationalities is sought. Each group also contains a representative from various functional areas in business. For example, there may be someone from production, sales, accounting, finance, personnel, and general administration. Further, the best possible diversification of industry is represented. To illustrate, one study group has men from the United States, Switzerland, England, Denmark, Brazil, and Mexico. It includes an engineer, a consultant, a personnel manager, an accountant, and two sales personnel. Textiles, paper, airlines, and food are the industrial groups that are represented.

A typical day for the students consists of a class from 8:30 to 9:50; a coffee break and group study period; class from 11:20 to 12:40; lunch followed by a study period; and a last class from 3:40 to 5:00. The study groups function as the men desire to use them. In some instances cases are discussed and prepared together. In others, the men may call on each other for help or assistance in language or for specific information concerning a man's speciality. . . . The interchange of ideas within the small groups and in the general class meeting is encouraged. The school requires the full time of the participants. Their work averages 60 to 70 hours of preparation and classwork.

For the period from the beginning of the program to December 1, the men are required to live together in a nearby hotel. During this period the men have an opportunity to get well acquainted on an informal basis, study in the assigned or informal groups, and secure adequate housing for their families. The families

arrive about December 1 and the men scatter to the various areas in and around Lausanne.

As indicated above, the professors teach on three consecutive days, either at the beginning or end of the week. The remainder of their time is devoted to writing new teaching materials better suited to an international school. Under their employment agreements with IMEDE, they have agreed to forego all consulting activities and devote full time to teaching, writing, and researching for IMEDE. The professors are assisted by research associates. These men have nearly all studied or worked in the United States and have amongst them knowledge of nearly every European language. They travel with the professors and assist in research and the writing of new teaching notes and case problems. Through the development of these materials and cases, the professors gain additional insights into European business affairs, provide better classroom data for the participating executives, assist in publicizing the School, and stimulate the interest of European executives in business research and education.

Much has been heard by us about the relative secrecy surrounding business activity in Europe. The group was concerned about the availability of first-hand information from business. However, the quality of the faculty, most of whom enjoy international reputations in their fields, the former students residing and working in Europe, and the general interest in management education and development have all contributed to making this work easier than was expected. Considerable work of this nature has been done by national schools in various countries. These schools have been highly co-operative in allowing IMEDE to use their materials. As new materials are developed in Lausanne, this has become a reciprocal process. During the first year about two hundred "pieces of work" were produced. These included many new cases, translated cases, technical notes, and a major study of food distribution in seven European countries. . . .

The IMEDE staff is co-operating with the EPA, the British Institute of Management, the International University Contact, and other agencies. . . . All of these activities are attracting the attention of several European universities. The hope is that such work will hasten the acceptance of education for business as an academic pursuit as natural to European universities as it has become on the campuses in the United States."

The Industrial Relations News has recently issued a sharp warning regarding the giving of medals and awards to female employees for long service. Their study of this widespread practice concluded that: (1) making a fuss over their long stay in the company reminds the girls of their age; and (2) the more diamond and gold pins, scrolls, watches, and so on a worker sports, the farther over the hill she is.

Will readers having information regarding the current addresses of the following Academy members please pass this information along to the Editor of the JOURNAL: Maurice C. Cross, William B. Wolf, John Sylvester, and Henry B. Wilson.

RESEARCH PROJECTS REPORTED BY ACADEMIC MEMBERS

Indiana University and the Ford Foundation are jointly sponsoring a faculty development research grant for the summer of 1960 for Dr. R. S. Stockton, of Indiana University.

A Ford Foundation fellowship in economic development and administration has been awarded to Dr. Ram S. Tarneja, Director, Graduate Department of Business Administration, Duquesne University, for the next academic year. Professor Tarneja will work on human relations problems of methods improvement in the Indian textile industry and will spend a year in India on this project.

Dr. H. L. Timms, of Indiana University, will devote his summer to a research project for the Brookings Institution.

Judson Neff, Professor of Management at the University of Texas, together with two fellow staff members, has a project financed under the Teaching Excellence Program of the University of Texas to restructure the undergraduate core curriculum course in management.

Dr. Maneck Wadia, of Indiana University, has received a faculty study grant from the Ford Foundation for the academic year 1960-61 at Carnegie Institute of Technology and the University of Pittsburgh. His major area of interest will be the role of the behavioral sciences in the field of management.

Wilfred H. Watson, Assistant Professor of Management at the University of Texas, assisted by three graduate students from management and the behavioral sciences, has a project financed under the Teaching Excellence Program to restructure the undergraduate senior course in personnel problems(human relations). The graduate students represent the areas of management, sociology, and psychology.

Dr. Fremont A. Shull, Jr. is engaged in a joint research project with Professor Delbert C. Miller. They are investigating role-conflict resolution.

Professor Dalton E. McFarland, of Michigan State University, has received a research grant of \$10,000 from the American Management Association for a one-year study of the organizational behavoir of industrial relations executives, corporate chief executives, and associated problems of line and staff relationships.

BOOKS REPORTED IN PROGRESS BY ACADEMY MEMBERS

Introduction to Business Enterprise, by Wayne L. McNaughton of the University of California, was published in March, 1960 by John Wiley & Sons.

R. Stansbury Stockton, of Indiana University, has just had his book, *Introduction to Linear Programming*, published by Allyn and Bacon.

Professor Henry K. Junckerstorff, of St. Louis University, has been appointed Editor-in-Chief of a Business Guide dealing with the Common European Market. American and European experts are co-authors and Bruce Company is the publisher. Professor Junckerstorff served recently as a visiting professor at Fribourg University. The text of his course at Fribourg is to be published soon by Betriebswirtschaftlicher Verlag, Weisbaden.

Dr. Fremont A. Shull, Jr., of Indiana University, is working on a book entitled *Administrative Decisions*, to be published by McGraw-Hill in 1961.

Associate Professor Louis J. Rago, of Duquesne University, is completing a production control and case study book.

Accounting in Action, Its Meaning for Management, by Billy Goetz of Massachusetts Institute of Technology and Frederick R. Klein of Antioch College, was published this spring by Houghton-Mifflin Company.

Assistant Professor Maneck S. Wadia, of Indiana University, is currently working on two books: *Applied Anthropology* and *Management—A Social Science Approach*.

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By ROSSALL J. JOHNSON, Northwestern University

The text of this book deals with personnel administration function from the point of view of all management as well as that of the personnel administrator. The standard areas of employment, training, compensation, labor relations, and administration are covered but with emphasis upon management responsibility for personnel administration. Cases are included.

ENGINEERING ECONOMY

By WILLIAM T. MORRIS, The Ohio State University

A contemporary course in engineering decision making is presented in this new text. Within the general context of the analysis of engineering decisions, it sets forth the principal ideas treated in engineering economy and includes a more general coverage of decisions under certainty.

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By FRANK A. DEPHILLIPS, WILLIAM M. BERLINER, AND JAMES J. CRIBBIN, all of New York University

For principles of training and instruction courses, this new volume presents the principles and methods of training in an interesting, well written style, illustrated by realistic examples. Emphasis is on management's responsibility for the fundamentals of training.

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This text presents a basic but comprehensive analysis and discussion of the elements necessary for managerial action and how they can be integrated for organizational effectiveness. Emphasis is placed on readability, and the materials are useful and practical.

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